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Attorney for Kentucky Employers Mutual Insurance

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re : Chapter 11 Case No.
: :
MOTORS LIQUIDATION COMPANY, *et al.*, : 09-50026 (REG)
f/k/a General Motors Corp., *et al.* :
: :
Debtors. : (Jointly Administered)
: :
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**RESPONSE TO DEBTORS' FOURTEENTH OMNIBUS OBJECTION TO CLAIMS
ON BEHALF OF KENTUCKY EMPLOYERS MUTUAL INSURANCE COMPANY
(Claim Number 39231)**

Comes the Claimant, Kentucky Employers Mutual Insurance Company, by counsel and for its written Response to the Debtors' Fourteenth Omnibus Objection to Claims (Workers' Compensation Claims) in this matter, pertaining to claim number 39231, hereby offers the following:

(1) The Claimant, Kentucky Employers Mutual Insurance Company (hereinafter "KEMI") timely submitted a Proof of Claim in this bankruptcy for an unliquidated claim in the

amount of \$62,301.22. This claim has been deemed claim number 39231. To the knowledge of KEMI, no objection has been registered by the Debtors, Motors Liquidation Company, *et al.* (hereinafter “Old GM”) to the timeliness or documentation of the claim. However, on April 19, 2010, Old GM filed “Notice of Debtors’ Fourteenth Omnibus Objection to Claims (Workers’ Compensation Claims).” Within said Objection, Old GM objected to and requested disallowance and expungement of KEMI’s Proof of Claim. Based on KEMI’s review of the Objection as it pertains to KEMI’s claim, it appears that Old GM’s sole objection to KEMI’s claim is based on the assumption that KEMI’s claim is a Workers’ Compensation claim. Within its objection, as justification for disallowing KEMI’s claim, Old GM has attached and cited portions of the Amended and Restated Master Sale and Purchase Agreement between Old GM and Vehicle Acquisition Holdings, LLC/NGMCO, Inc. (hereinafter “New GM”) that state that most workers’ compensation liabilities of Old GM, with the exception of certain claims arising in Alabama, Georgia, New Jersey and Oklahoma, would be transferred to New GM, thereby eliminating any workers’ compensation liability for Old GM in other states.

(2) KEMI respectfully submits that Old GM’s Objection to its claim must be overruled, and KEMI’s Proof of Claim must be allowed against Old GM, because KEMI’s claim is not a workers’ compensation claim. It is true that KEMI is a workers’ compensation insurance carrier. It is also true that KEMI has a claim against Old GM due to the fact that it paid workers’ compensation benefits to an injured worker. However, KEMI’s claim in this bankruptcy is actually a subrogation claim in the nature of tort, products liability and breach of implied warranty. KEMI paid workers’ compensation benefits to an injured third party, Craig Perkins, through a policy of insurance provided by KEMI to Craig Perkins’ employer, Perkins Scale Corporation. Craig Perkins received workers’ compensation benefits due to an injury sustained

in a vehicle fire that occurred while he was operating a GM vehicle. Perkins filed a products liability lawsuit against Old GM and the local dealer that sold the vehicle to Perkins Scale Corporation. Pursuant to statutory subrogation rights, KEMI filed an Intervening Complaint in Craig Perkins' civil lawsuit against Old GM and the dealer. During the pendency of the lawsuit, Old GM declared bankruptcy. KEMI was provided notice of the bankruptcy and, in response to the notice of the bankruptcy, filed its Proof of Claim. As will be apparent to the Court from review of KEMI's timely filed Proof of Claim, the nature of Old GM's alleged liability for KEMI's claim is in tort, and specifically products liability and breach of warranty, in a manner consistent with the claims of Craig Perkins himself against Old GM. A copy of KEMI's Proof of Claim form and its Summary of the basis of its claim are attached. Other, voluminous documents demonstrating the substance of KEMI's claim were also filed along with the Proof of Claim for documentary purposes. Those additional documents are not attached to this Objection for brevity's sake, but they are part of the record in this case. According to Section 2.3(d) of the Amended and Restated Master Sale and Purchase Agreement, which was attached as Exhibit C to Old GM's Fourteenth Omnibus Objection to Claims (Workers' Compensation Claims), tort claims and implied warranty such as those asserted by KEMI are to be retained by Old GM.

(3) KEMI respectfully submits that the nature of its liability to Craig Perkins is irrelevant to the determination of the nature of Old GM's liability to KEMI. Old GM's liability to KEMI is in the nature of tort, products liability or breach of implied warranty. The Amended and Restated Master Sale and Purchase Agreement explicitly requires that Old GM retain these liabilities, and by extension, liability for KEMI's claim. Therefore, Old GM's objection to KEMI's claim should be overruled, and KEMI's Proof of Claim should be allowed.

(4) KEMI further submits that, given logistic and budgetary considerations, it will not be represented in person at the formal Hearing of Old GM's Objection. It respectfully requests that the Court fully consider this written response in lieu of an appearance at the Hearing, and that the Court enter a ruling consistent with the positions asserted herein.

WHEREFORE, KEMI prays for a proper Order allowing its claim and overruling Old GM's Objection.

Respectfully Submitted,

s/Stanley S. Dawson
Stanley S. Dawson
FULTON & DEVLIN
2000 Warrington Way, Ste. 165
Louisville, KY 40222
Telephone: (502) 327-0099
Facsimile: (502) 327-0079
Counsel for KEMI

CERTIFICATE OF SERVICE

I hereby certify that the foregoing was served by filing electronically in accordance with General Order M-242, on this the 18th day of May, 2010.

s/Stanley S. Dawson
Stanley S. Dawson



UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

PROOF OF CLAIM

Name of Debtor (Check Only One):
 Motors Liquidation Company (f/k/a General Motors Corporation)
 MLCS, LLC (f/k/a Saturn, LLC)
 MLCS Distribution Corporation (f/k/a Saturn Distribution Corporation)
 MLC of Harlem, Inc. (f/k/a Chevrolet-Saturn of Harlem, Inc.)

Case No.
 09-50026 (REG)
 09-50027 (REG)
 09-50028 (REG)
 09-13558 (REG)

Your Claim is Scheduled As Follows:

Motors Liquidation Company

Unsecured: Unknown

Contingent / Unliquidated / Disputed

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case, but may be used for purposes of asserting a claim under 11 U.S.C. § 503(b)(9) (see Item # 5). All other requests for payment of an administrative expense should be filed pursuant to 11 U.S.C. § 503.

Name of Creditor (the person or other entity to whom the debtor owes money or property): KENTUCKY EMPLOYERS MUTUAL INSURANCE CO

Name and address where notices should be sent:
 KENTUCKY EMPLOYERS MUTUAL INSURANCE CO c/o
 FULTON & DEVLIN
 2000 WARRINGTON WAY STE 165
 LOUISVILLE, KY 40222-6409

Telephone number: (502) 327-0099 x107
 Email Address: ssd@fulton-devlin.com

Check this box to indicate that this claim amends a previously filed claim.

Court Claim Number: _____
 (if known)

Filed on: _____

Name and address where payment should be sent (if different from above):

Telephone number:

Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

Check this box if you are the debtor or trustee in this case.

If an amount is identified above, you have a claim scheduled by one of the Debtors as shown. (This scheduled amount of your claim may be an amendment to a previously scheduled amount.) If you agree with the amount and priority of your claim as scheduled by the Debtor and you have no other claim against the Debtor, you do not need to file this proof of claim form, EXCEPT AS FOLLOWS: If the amount shown is listed as DISPUTED, UNLIQUIDATED, or CONTINGENT, a proof of claim MUST be filed in order to receive any distribution in respect of your claim. If you have already filed a proof of claim in accordance with the attached instructions, you need not file again.

1. Amount of Claim as of Date Case Filed, June 1, 2009: \$ 62,301.22

If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete item 5. If all or part of your claim is asserted pursuant to 11 U.S.C. § 503(b)(9), complete item 5.

Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.

2. Basis for Claim: SUBROGATION FOR WORKERS' COMP PAYMENTS MADE TO PLAINTIFF IN PERSONAL INJURY CLAIM V. G.M.
 (See instruction #2 on reverse side.)

3. Last four digits of any number by which creditor identifies debtor: N/A

3a. Debtor may have scheduled account as: N/A
 (See instruction #3a on reverse side.)

4. Secured Claim (See instruction #4 on reverse side.)
 Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.

Nature of property or right of setoff: Real Estate Motor Vehicle Equipment Other

Describe:

Value of Property: \$ _____ Annual Interest Rate: _____ %

Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ _____

Basis for perfection: _____

Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____

6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.

7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements or running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See instruction 7 and definition of "redacted" on reverse side.)

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

VERIFYING DOCUMENTS + SUMMARY ATTACHED

If the documents are not available, please explain in an attachment.

5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507(a).
 If any portion of your claim falls in one of the following categories, check the box and state the amount.

Specify the priority of the claim.

Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).

Wages, salaries, or commissions (up to \$10,950*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4).

Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5).

Up to \$2,425* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(7).

Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8).

Value of goods received by the Debtor within 20 days before the date of commencement of the case - 11 U.S.C. § 503(b)(9) (§ 507(a)(2))

Other - Specify applicable paragraph of 11 U.S.C. § 507(a)().

Amount entitled to priority: \$ _____

*Amounts are subject to adjustment on 4/1/10 and every 5 years thereafter with respect to cases commenced on or after the date of adjustment.

Date: 11/20/2009

Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.

Alan Dawson Stanley S. Dawson, Esq. Fulton & Devlin, Counsel for creditor

FOR COURT USE ONLY

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, there may be exceptions to these general rules. The attorneys for the Debtors and their court-appointed claims agent, The Garden City Group, Inc., are not authorized and are not providing you with any legal advice.

A SEPARATE PROOF OF CLAIM FORM MUST BE FILED AGAINST EACH DEBTOR

PLEASE SEND YOUR ORIGINAL, COMPLETED CLAIM FORM AS FOLLOWS: **IF BY MAIL:** THE GARDEN CITY GROUP, INC., ATTN: MOTORS LIQUIDATION COMPANY CLAIMS PROCESSING, P.O. BOX 9386, DUBLIN, OH 43017-4286. **IF BY HAND OR OVERNIGHT COURIER:** THE GARDEN CITY GROUP, INC., ATTN: MOTORS LIQUIDATION COMPANY CLAIMS PROCESSING, 5151 BLAZER PARKWAY, SUITE A, DUBLIN, OH 43017. PROOFS OF CLAIM MAY ALSO BE HAND DELIVERED TO: THE UNITED STATES BANKRUPTCY COURT, SDNY, ONE BOWLING GREEN, ROOM 534, NEW YORK, NEW YORK 10004. ANY PROOF OF CLAIM SUBMITTED BY FACSIMILE OR E-MAIL WILL NOT BE ACCEPTED.

THE GENERAL AND GOVERNMENTAL BAR DATE IS NOVEMBER 30, 2009 AT 5:00 P.M. (PREVAILING EASTERN TIME)

Court, Name of Debtor, and Case Number:

These chapter 11 cases were commenced in the United States Bankruptcy Court for the Southern District of New York on June 1, 2009. You should select the debtor against which you are asserting your claim.

A SEPARATE PROOF OF CLAIM FORM MUST BE FILED AGAINST EACH DEBTOR.

Creditor's Name and Address:

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. Please provide us with a valid email address. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1. Amount of Claim as of Date Case Filed:

State the total amount owed to the creditor on the date of the bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

2. Basis for Claim:

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on the delivery of health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if the debtor, trustee or another party in interest files an objection to your claim.

3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor, if any.

3a. Debtor May Have Scheduled Account As:

Use this space to report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

4. Secured Claim:

Check the appropriate box and provide the requested information if the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See DEFINITIONS, below.) State the type and the value of property that secures the claim, attach copies of lien documentation, and state annual interest rate and the amount past due on the claim as of the date of the bankruptcy filing.

5. Amount of Claim Entitled to Priority Under 11 U.S.C. § 507(a):

If any portion of your claim falls in one or more of the listed categories, check the appropriate box(es) and state the amount entitled to priority. (See DEFINITIONS, below.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

For claims pursuant to 11 U.S.C. § 503(b)(9), indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before June 1, 2009, the date of commencement of these cases (See DEFINITIONS, below). Attach documentation supporting such claim.

6. Credits:

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the Debtor credit for any payments received toward the debt.

7. Documents:

Attach to this proof of claim form redacted copies documenting the existence of the debt and of any lien securing the debt. You may also attach a summary. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary. FRBP 3001(c) and (d). If the claim is based on the delivery of health care goods or services, see instruction 2. Do not send original documents, as attachments may be destroyed after scanning.

Date and Signature:

The person filing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what constitutes a signature. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. Attach a complete copy of any power of attorney. Criminal penalties apply for making a false statement on a proof of claim.

DEFINITIONS

Debtor

A debtor is the person, corporation, or other entity that has filed a bankruptcy case.

The Debtors in these Chapter 11 cases are:

Motors Liquidation Company (f/k/a General Motors Corporation)	09-50026 (REG)
MLCS, LLC (f/k/a Saturn, LLC)	09-50027 (REG)
MLCS Distribution Corporation (f/k/a Saturn Distribution Corporation)	09-50028 (REG)
MLC of Harlem, Inc. (f/k/a Chevrolet-Saturn of Harlem, Inc.)	09-13558 (REG)

Creditor

A creditor is the person, corporation, or other entity owed a debt by the debtor on the date of the bankruptcy filing.

Claim

A claim is the creditor's right to receive payment on a debt that was owed by the Debtor on the date of the bankruptcy filing. See 11 U.S.C. § 101(5). A claim may be secured or unsecured.

Proof of Claim

A proof of claim is a form used by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing. The creditor must file the form with The Garden City Group, Inc. as described in the instructions above and in the Bar Date Notice.

Secured Claim Under 11 U.S.C. § 506(a)

A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be

paid from the property prior to other creditors. The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car. A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien. A claim also may be secured if the creditor owes the debtor money (has a right to setoff).

Section 503(b)(9) Claim

A Section 503(b)(9) claim is a claim for the value of any goods received by the debtor within 20 days before the date of commencement of a bankruptcy case in which the goods have been sold to the debtor in the ordinary course of such debtor's business.

Unsecured Claim

An unsecured claim is one that does not meet the requirements of a secured claim. A claim may be partly unsecured if the amount of the claim exceeds the value of the property on which the creditor has a lien.

Claim Entitled to Priority Under 11 U.S.C. § 507(a)

Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

Redacted

A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor should redact and use only the last four digits of any social-security, individual's

tax-identification, or financial-account number, all but the initials of a minor's name and only the year of any person's date of birth.

Evidence of Perfection

Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other document showing that the lien has been filed or recorded.

Acknowledgment of Filing of Claim

To receive acknowledgment of your filing from The Garden City Group, Inc., please provide a self-addressed, stamped envelope and a copy of this proof of claim when you submit the original claim to The Garden City Group, Inc.

Offers to Purchase a Claim

Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(c), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 et seq.), and any applicable orders of the bankruptcy court.

Additional Information

If you have any questions with respect to this claim form, please contact Alix Partners at 1 (800) 414-9607 or by e-mail at claims@motorsliquidation.com.

INFORMATION

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re :
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MOTORS LIQUIDATION COMPANY (F/K/A : **CASE NO 09-50026 (REG)**
GENERAL MOTORS CORPORATION) :

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SUMMARY OF CLAIM OF KENTUCKY EMPLOYERS MUTUAL INSURANCE CO.

Kentucky Employers Mutual Insurance Company (“KEMI”) is a workers’ compensation insurer that provides workers’ compensation insurance for benefits under the Kentucky Workers’ Compensation Act. KEMI provided workers’ compensation insurance for Perkins Scale Corporation. On June 15, 2005 an employee of Perkins Scale Corporation, Craig Perkins, sustained injuries in a truck fire involving a GM vehicle (2003 Chevrolet Silverado pickup truck). The event occurred in Louisville, Kentucky. Pursuant to Perkins Scale Corporation’s valid policy of workers’ compensation insurance coverage with KEMI, KEMI paid workers’ compensation income benefits to Perkins and medical benefits on Perkins’ behalf, to the extent required by the Kentucky Workers’ Compensation Act, Kentucky Revised Statutes 342 et seq. Perkins later pursued a timely civil action against General Motors Corporation and the General Motors dealer that sold the 2003 Chevrolet Silverado, Bob Hook Chevrolet in Louisville, Kentucky. Upon receiving the statutorily-required notice of Perkins’ civil action, KEMI filed an intervening complaint in that action to assert its subrogation interest of recovery of KEMI’s benefit payments from the Defendants. Such action is provided for under Kentucky law, at Kentucky Revised Statute 342.700. Perkins’ action and that of KEMI are joined and are

currently pending in the State Courts of Kentucky (Jefferson Circuit Court, Division 11). The actions are designated as civil action number 05-CI-09783 on Jefferson Circuit Court docket. The actions were stayed as of this bankruptcy.

KEMI joins Perkins in his contentions that General Motors and its dealer are liable for Perkins' injuries, and KEMI's subrogation interests for payments relating to those injuries, due to defects in the truck used by Perkins and the negligence of General Motors and its dealer. Therefore, while not waiving any right to proceed against General Motors and Bob Hook Chevrolet outside of this bankruptcy unless its claim is fully satisfied, KEMI contends that it should have the right to receive payment of its claim for damages in the bankruptcy action.

The following exhibits are also attached:

1. Copies of a printout summarizing payments made by KEMI to and on behalf of Perkins in connection with the workers' compensation claim;
2. Copies of the actual checks issued by KEMI for those payments;
3. Copies of Perkins' underlying complaint against General Motors Corporation and Bob Hook Chevrolet, KEMI's Intervening Complaint and the Order allowing for KEMI's intervention in the litigation.
4. An affidavit of Autumn Bacon, Office Manager of Perkins Scale Corporation, verifying Perkins' employment status at the time of the injury; and
5. A copy of a certification of workers' compensation coverage issued by the Commonwealth of Kentucky verifying KEMI's coverage of Perkins Scale Corporation.

The Claimant will provide any required additional documentation upon request.

Respectfully Submitted,



Stanley S. Dawson
FULTON & DEVLIN
2000 Warrington Way, Ste. 165
Louisville, KY 40222
(502) 327-0099

Counsel for Kentucky Employers' Mutual
Insurance

CERTIFICATE OF SERVICE

This is being sent by overnight service to:

The Garden City Group, Inc.
ATTN: Motors Liquidation Company Claims Processing
5151 Blazer Parkway, Ste. A
Dublin, OH 43017