

ARNOLD & PORTER LLP
399 Park Avenue
New York, New York 10022-4690
Telephone: (212) 715-1000
Facsimile: (212) 715-1399
Michael J. Canning
Joel M. Gross

Counsel for the Reorganized Debtors

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

In re

Quebecor World (USA) Inc., et al.,

Debtors.

Chapter 11

Case No. 08-10152(JMP)
Jointly Administered

Honorable James M. Peck

**REORGANIZED DEBTORS' APPLICATION FOR AN ORDER (A) ESTABLISHING
CLAIMS ALLOWANCE, OBJECTION, CLAIMS RESOLUTION AND SETTLEMENT
PROCEDURES AND (B) EXTENDING THE 503(B)(9)/RECLAMATION CLAIMS
OBJECTION DEADLINE**

The above-captioned reorganized debtors (the "Debtors" or "Reorganized Debtors") move this Court (the "Application") for the entry of an order substantially in the form of Exhibit A attached hereto, authorizing (a) the establishment of claims allowance, objection, claims resolution and settlement procedures, all as more specifically set forth on Exhibit B attached hereto and (b) the extension of the 503(b)(9)/Reclamation Claims Objection Deadline (as defined below).

Jurisdiction

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).
2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.
3. The statutory predicates for the relief requested herein are sections 105 and 502 of title 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code"), and Rules 2002(a), 3007, 9006, 9014 and 9019(a) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

Background

4. On January 21, 2008 (the "Petition Date"), the 53 Debtors filed their voluntary petitions for relief (the "Chapter 11 Cases") under chapter 11 of title 11 of the Bankruptcy Code.
5. No trustee or examiner has been appointed in these Chapter 11 Cases.
6. On January 31, 2008, an Official Committee of Unsecured Creditors (the "Creditors' Committee") was appointed, and amended on February 8, 2008.
7. On January 20, 2008, the Debtors' corporate parent, Quebecor World Inc. ("QWI"), together with each of the Debtors, commenced a proceeding before the Quebec Superior Court, Commercial Division, for the Judicial District of Montreal (the "Canadian Court") for a plan of compromise or arrangement (the "Canadian Proceeding") under the Canadian Companies' Creditors Arrangement Act ("CCAA").¹ Each of the Debtors was joined

¹ The Canadian Court appointed Ernst & Young, Inc. to serve as Monitor for the Canadian Proceeding, and UBS Investment Bank is serving as a financial advisor in connection with the Canadian Proceeding.

in the Canadian Proceeding in order that each Debtor could obtain the protection of a stay under the CCAA as well as under the Bankruptcy Code.

8. On January 23, 2008 Donlin, Recano & Company, Inc. was appointed as the Claims Agent in these Chapter 11 Cases (the "Claims Agent").

9. On May 18, 2009, the Debtors filed their Third Amended Joint Plan of Reorganization of Quebecor World (USA) Inc. and Certain Affiliated Debtors and Debtors-In-Possession (as may be amended or supplemented, the "Plan").

10. On July 2, 2009, this Court entered the Findings of Fact, Conclusions of Law and Order Confirming the Third Amended Joint Plan of Reorganization of Quebecor World (USA) Inc. and Certain Affiliated Debtors and Debtors-In-Possession, dated July 1, as modified (the "Confirmation Order").

11. The Plan became effective on July 21, 2009 (the "Effective Date").

12. Pursuant to the Plan, on the Effective Date, a Joint Claims Oversight Committee, as defined in the Plan, was formed.

13. In connection with the Debtors' emergence from these Chapter 11 Cases, Quebecor World (USA) Inc. changed its name to World Color (USA) Corp. and each of the affiliated Debtors changed its name to adopt the "World Color" name instead of the "Quebecor" or "Quebecor World" name, and, similarly, Quebecor World Inc. changed its name to World Color Press Inc. Nevertheless, pursuant to section 6.4(c) of the Plan, the Reorganized Debtors retained their "Quebecor" names for purposes of these Chapter 11 Cases in all respects.

The Debtors' Business

14. The Reorganized Debtors collectively operate the second largest commercial printing business in the United States, maintaining approximately 67 facilities in 26 states. QWI

is a Canadian corporation and the corporate parent of the Reorganized Debtors, having been incorporated on February 23, 1989 pursuant to the Canada Business Corporations Act to combine the assets constituting what was then the printing division of Quebecor Inc. (QWI, together with the Reorganized Debtors and all of QWI's debtor and non-debtor subsidiaries and affiliates are referred to herein as "QW World" or the "Company").

15. QW World's key customers include the largest publishers, retailers and catalogers in the geographic areas in which QW World operates. In the magazine group, QW World prints magazines for publishers, including, for example, 15 magazine titles for Time, Inc.,² *Cosmopolitan* for Hearst Corp., *Elle* for Hachette-Filippachi Magazines US, *ESPN the Magazine* for Walt Disney Corp., *Forbes* for Forbes Inc. and *In Touch Weekly* for Bauer Publishing USA, while QW World's retail insert group includes customers such as CVS, Sears, JC Penney, Kohl's, and Walgreens. QW World's operations also encompass (a) catalogs for customers such as Williams-Sonoma, Oriental Trading Company, Victoria's Secret, IKEA, Cabelas and Bass Pro, (b) books for McGraw-Hill, Scholastic, Simon & Schuster, Thomas Nelson, Time-Warner and Pearson Education, (c) directories for Yellow Book USA, RH Donnelly, Windstream and Frontier in the United States, the Yellow Pages Group in Canada, as well as Telemex and Telefonica in Latin America and (d) direct mail services.

Relief Requested

16. Pursuant to sections 105 and 502 of the Bankruptcy Code and Rules 2002(a), 3007, 9006, 9014 and 9019(a) of the Bankruptcy Rules, the Reorganized Debtors hereby seek the entry of an order (I) establishing procedures for: (a) the allowance of claims as filed by the

² These include *Time*, *Fortune*, *Money*, *Sports Illustrated*, *People*, *Entertainment Weekly*, *Southern Living*, *Cooking Light* and *Coastal Living*.

holders thereof; (b) the filing of objections to proofs of claims (including 503(b)(9) claims and administrative claims), scheduled claims and reclamation demands in these Chapter 11 Cases, and the resolution of such claims and demands; (c) the objection to, and the determination and allowance of, convenience claims; and (d) compromising disputed claims, and (II) extending the 503(b)(9)/Reclamation Claims Objection Deadline.

The Asserted Claims

17. On or about June 18, 2008, the Debtors filed their respective schedules of assets and liabilities (collectively, the "Schedules"), which identified approximately 9,500 potential creditors of their estates.

18. By an order entered on September 30, 2008 (Docket No. 1175) (the "Bar Date Order"), the Court established December 5, 2008, as the general bar date for creditors to file proofs of claim asserting prepetition liabilities against the Debtors (the "General Bar Date"). The Bar Date Order, among other things, also established bar dates for the filing of proofs of claim in response to any amendments to the Schedules, claims for damages arising from the rejection of executory contracts and unexpired leases, and claims under section 503(b)(9) of the Bankruptcy Code (collectively, with the General Bar Date, the "Bar Dates"). Shortly after the entry of the Bar Date Order, a notice of the Bar Dates (the "Bar Date Notice") was served on all known creditors and potential creditors of the Debtors in accordance with the requirements of the Bar Date Order. Over 110,00 copies of the Bar Date Notice were mailed to such known creditors and potential creditors. Additionally, the Bar Date Notice was published on or about November 3, 2008 in the national editions of The New York Times and The Wall Street Journal.

19. In response to the mailing and publication of the Bar Date Notice, over 9,400 proofs of claim have been filed in these Chapter 11 Cases.

20. As used herein, (A) proofs of claim filed in these Chapter 11 Cases, including for Administrative Claims (as defined and provided for under the Plan) are referred to collectively as “Proofs of Claim,” (B) claims identified in the Debtors’ Schedules as liquidated, noncontingent and undisputed are referred to collectively as “Scheduled Claims,” (C) claims pursuant to section 503(b)(9) of the Bankruptcy Code are referred to collectively as “503(b)(9) Claims,” and (D) all demands for reclamation pursuant to section 546(c) of the Bankruptcy Code are referred to collectively as “Reclamation Demands.” All of the Proofs of Claim filed in these Chapter 11 Cases, together with all Scheduled Claims identified in the Schedules, and all 503(b)(9) Claims and Reclamation Demands are referred to collectively as the “Claims.”

21. Section 502(a) of the Bankruptcy Code provides that “[a] claim or interest, proof of which is filed under section 501 of this title, is deemed allowed, unless a party in interest . . . objects.” Rule 3001(f) of the Bankruptcy Rules states that “a proof of claim executed and filed in accordance with these rules shall constitute prima facie evidence of the validity and amount of the claim.” Under section 1111(a) of the Bankruptcy Code, the Scheduled Claims also are treated as proofs of claim. See 11 U.S.C. § 1111(a) (“A proof of claim . . . is deemed filed under section 501 of this title for any claim . . . that appears in the schedules . . . except a claim . . . that is scheduled as disputed, contingent, or unliquidated.”).

22. All of the Claims in these Chapter 11 Cases must be reviewed for possible objection or resolution, as part of the claims process. In light of the very large number of Claims that have been filed or scheduled in these Chapter 11 Cases, preparing and filing individual pleadings for each objection to a Claim (an “Objection”) would be an extremely time consuming and expensive process. Likewise, administering a claims process involving thousands of claims without a clear set of procedural rules would add cost, confusion and delay. The Reorganized

Debtors also believe that the consensual resolution of disputed Claims will be an important part of the claims resolution process, especially in light of the number of Claims filed against the wrong Debtor(s) that will need to be transferred so as to constitute Claims filed against the appropriate Debtor(s), and that having to present each individual settlement of a Claim, or transfer of a Claim, to the Court separately for approval would be unnecessarily costly and could be an impediment to the efficient resolution of Claims.

23. To address these concerns, the Reorganized Debtors have developed global claims allowance, objection, claims resolution, and settlement procedures (collectively, the “Claims Procedures”), which are more specifically set forth in Exhibit B attached hereto. As neither the Bankruptcy Rules nor the Local Bankruptcy Rules for the Southern District of New York (the “Local Rules”) establish detailed guidelines for the filing of omnibus objections to claims or obtaining approval of claim settlements, the Reorganized Debtors believe that the Claims Procedures will provide an important framework for the administration of Claims in these Chapter 11 Cases, and will foster an efficient resolution of all Claims in a timely manner. These efficiencies will both conserve the Reorganized Debtors’ resources, as well as the time and resources required by the Court and other parties in interest in the claims resolution process, all in a manner consistent with, and preserving the rights of all parties under, the Bankruptcy Code, the Bankruptcy Rules and the Local Rules.

24. Accordingly, the Reorganized Debtors submit that implementation of the Claims Procedures is appropriate to establish a fair and efficient process to administer the thousands of Claims in these Chapter 11 Cases.

Bankruptcy Rule 3007

25. Bankruptcy Rule 3007(c) provides that “[u]nless otherwise ordered by the court or permitted by subdivision (d), objections to more than one claim shall not be joined into a single objection.” Bankruptcy Rule 3007(d) allows for the filing of an omnibus objection if “all of the claims were filed by the same entity, or the objections are based solely on the grounds that the claims should be disallowed, in whole or in part, because: (1) they duplicate other claims; (2) they have been filed in the wrong case; (3) they have been amended by subsequently filed proofs of claim; (4) they were not timely filed; (5) they have been satisfied or released during the case in accordance with the Code, applicable rules, or a court order; (6) they were presented in a form that does not comply with the applicable rules, and the objection states that the objector is unable to determine the validity of the claim because of noncompliance; (7) they are interests, rather than claims; or (8) they assert priority in an amount that exceeds the maximum amount under § 507 of the Code.” Additionally, Bankruptcy Rule 3007(e), among other things, limits the number of objections that can be filed in an omnibus objection to 100 claims.

The Proposed Claims Procedures

26. The Reorganized Debtors request that the Court order that the following procedures, as more specifically set forth in Exhibit B attached hereto, shall apply, as applicable, to (i) the allowance of certain undisputed Claims, (ii) the filing of objections to Claims and the resolution of multiple Claims of individual Claimants, (iii) the objection to, and the

determination and allowance of, Convenience Claims (defined below), and (iv) the process for the consensual settlement of disputed Claims in these Chapter 11 Cases.³

I. PROCEDURES FOR THE ALLOWANCE OF CLAIMS AS FILED

27. Pursuant to the Plan, before holders of Claims can receive distributions on behalf of their Claims, such Claims must be Allowed Claims, as defined and provided for in the Plan. To promote the efficient resolution and allowance of Claims, and the timely distribution of recovery under the Plan on account of Claims where the Reorganized Debtors are in agreement as to the amount and priority of such Claim(s) as filed by the respective holders thereof (“Agreed Upon Claims”), without the need for such holder to otherwise wait for the expiration of the applicable Claims objection period, the Reorganized Debtors request that the following procedures (the “Allowed Claims Procedures”) shall apply with respect to such Agreed Upon Claims.

28. Specifically, the Reorganized Debtors seek authority to file one or more omnibus applications (each an “Omnibus Application to Allow Agreed Upon Claims”) pursuant to which the Reorganized Debtors shall seek the allowance of those Claims set forth on an exhibit attached to the applicable Omnibus Application to Allow Agreed Upon Claims (each an “Agreed Upon Claims Exhibit”). In this regard, each Agreed Upon Claims Exhibit shall set forth the name of the holder of each Claim listed for which allowance is being sought, together with the Claim number for each such Claim and the amount of such Claim, as filed by the applicable holder thereof.

³ To the extent that there are any inconsistencies between the summary description of the Claims Procedures in the Application and the Claims Procedures attached as Exhibit B hereto, the terms and conditions of the Claims Procedures as set forth in Exhibit B shall in all respects control. Any terms not defined are intended to have the meaning ascribed to them in the Claims Procedures as set forth in Exhibit B.

29. Each Omnibus Application to Allow Agreed Upon Claims may be filed upon ten (10) days notice of presentment in accordance with the Local Rules. To the extent that no objection is filed in respect of the allowance of any Claim listed on the applicable Agreed Upon Claims Exhibit, such Claim shall be allowed by order of the Court, and, to that end, the Reorganized Debtors shall, without the need for a Court hearing, submit an order for entry by the Court allowing those Claims as to which no objections have been filed, which determination shall be deemed final and binding on the Reorganized Debtors' estates and all parties in interest.

30. With respect to any Claim listed on an applicable Agreed Upon Claims Exhibit as to which an objection (an "Allowance Objection") is filed with the Court and served on the Reorganized Debtors within the ten (10) day notice period (the "Allowance Objection Deadline"), the Court shall set a hearing for the determination of such Allowance Objection.

31. The Reorganized Debtors believe that Claimants and other parties in interest will not be prejudiced by the Allowed Claims Procedures, as any party in interest may file an Allowance Objection with the Court in respect of any Claim for which allowance is being sought pursuant to an Omnibus Application to Allow Agreed Upon Claims, and, absent a consensual resolution of such Claim, such Claim will be subject to judicial resolution by the Court.

32. Moreover, as the Reorganized Debtors believe that the overwhelming majority, if not all, of these Agreed Upon Claims will not be contested, the Reorganized Debtors assert that the Allowed Claims Procedures are in the best interest of all parties. Indeed, implementation of these procedures will allow for the efficient, timely resolution and allowance of those Claims where the Reorganized Debtors agree with such Claims as filed, thereby enabling the holders of such Claims to receive distributions on account of such Claims at the earliest applicable Periodic Distribution Date (as defined and provided for under the Plan).

II. PROCEDURES FOR OBJECTING TO CLAIMS AND RESOLVING MULTIPLE CLAIMS OF INDIVIDUAL CLAIMANTS

A. The Claims Objection Procedures

33. The first component of the proposed procedures for the filing, administration and prosecution of objections to Claims (the “Objections”) are general objection procedures (the “Claims Objection Procedures”) that are designed to ensure that all parties asserting Claims (“Claimants”) receive appropriate notice of any Objection to their Claims, and are afforded the protections of due process in respect of the resolution of their Claims, while at the same time facilitating the timely, efficient and economic resolution of the Reorganized Debtors’ Objections to such Claims. Moreover, the Claims Objection Procedures contemplate providing notice of Objections to Claims that fully comply with the applicable requirements of the Bankruptcy Code.

34. Specifically, the Reorganized Debtors intend to periodically file omnibus objections (the “Omnibus Objections”) to Claims. As is typical in large, complex chapter 11 cases, the Claims Objection Procedures provide that more than one Claim may be addressed in a particular Objection, and that the assertion of a particular ground for objecting to a Claim will not preclude the Reorganized Debtors from asserting additional grounds for objecting to such Claim, either in the same or subsequent Objections.

35. The Claims Objection Procedures also provide a detailed framework for the consensual resolution, or, if ultimately necessary, the litigation of Objections and Omnibus Objections, and, to that end, establish, *inter alia*, specific time frames for the filing of responses to filed Objections or Omnibus Objections and for the Debtors’ reply to any such responses.

36. In light of the substantial size of the Claims pool in these Chapter 11 Cases, the Debtors use of Omnibus Objections in order to consolidate into a single pleading the same Objection or Objections to the Claims of numerous Claimants will provide substantial savings to

the Debtors' estates, increase the efficiency with which the claims process is administered and maximize the recovery to all creditors. To further these objectives, in addition to the grounds provided in Bankruptcy Rule 3007(d), the Reorganized Debtors request that they be permitted to utilize Objections or Omnibus Objections in respect of those Claims that the Reorganized Debtors believe should be expunged, disallowed and/or reclassified, in whole or in part, because: (a) the amount claimed contradicts the Debtors' books and records; (b) the Claims do not include sufficient documentation to ascertain their validity; (c) the Claims were incorrectly filed as secured, administrative, or priority claims; (d) the Claims seek recovery of amounts for which the Debtors are not liable; (e) the Claims were incorrectly demanded under 546(c) of the Bankruptcy Code; (f) the applicable Proof of Claim form or 503(b)(9) Claim form was improperly executed; (g) the Claims were incorrectly asserted as section 503(b)(9) Claims; (h) the Claims were previously resolved pursuant to an Order of the Court or the Plan; (i) the Claims should be reduced by unapplied payments and/or credits; (j) the Claimant's Claims include duplicate invoices; and (k) the Claims should be reassigned among the appropriate Debtor(s) and/or QWI.

37. Further, given the substantial number of categories of Claims (i.e., pension Claims, Executory Contract Claims, Administrative Claims, 503(b)(9) Claims, etc.), the Reorganized Debtors seek the ability to file Omnibus Objections to categories of Claims where the Reorganized Debtors believe such Claims need to be expunged, reduced, reclassified or otherwise addressed, and objecting to the Claims by category would save substantial time and resources of the Debtors' estate.

38. Once the Reorganized Debtors have filed an Objection to any Claim, either separately or by means of an Omnibus Objection, the Claims Procedures provide that, except as

otherwise provided by order of the Court, applicable Claimants shall receive written notice of such Objection at least thirty (30) days prior to any hearing on such Objection, consistent with Bankruptcy Rule 3007.⁴ To the extent that the Reorganized Debtors have objected to a Claim by means of an Omnibus Objection, such Omnibus Objection will provide the pertinent information about the relief being sought in a clear and concise manner, and to that end, will: (i) state in a conspicuous manner where each Claimant whose Claim is addressed in such Omnibus Objection can locate their names and their Claim(s); (ii) contain one or more exhibits that list Claimants alphabetically, with a reference to their respective Claim number(s) or other information identifying their respective Claim(s); (iii) identify the Debtors as the objecting party and the grounds for the Objection(s); and (iv) be numbered consecutively in respect of the other Omnibus Objections previously filed by the Debtors. The Omnibus Objection will also state with particularity the proposed treatment for each Claim addressed therein.

39. Given the number of Claims that must be resolved by the Reorganized Debtors in these Chapter 11 Cases, and in order to promote the efficient resolution of similar types of Claims, the Debtors also request that Omnibus Objections be permitted to include Objections to more than 100 Claims. The Reorganized Debtors believe that Bankruptcy Rule 3007(c) provides this Court with the authority to allow an Omnibus Objection to contain Objections to more than 100 Claims if circumstances justify expanding the number of Claims to be addressed in a particular Omnibus Objection. Here, if the Reorganized Debtors were to limit their Omnibus Objections to 100 Claims, and they filed Objections to only one-half of the Claims asserted in

⁴ Bankruptcy Rule 3007 provides, in part, that

[a]n objection to the allowance of a claim shall be in writing and filed. A copy of the objection with notice of the hearing thereon shall be mailed or otherwise delivered to the claimant, the debtor or debtor in possession and the trustee at least 30 days prior to the hearing.

Fed. R. Bankr. P. 3007.

these Chapter 11 Cases, the Reorganized Debtors would be required to file more than 45 separate Omnibus Objections. Thus, the Reorganized Debtors believe the facts and circumstances of these Chapter 11 Cases, with over 9000 Claims and 53 Debtors, justify an expansion of the 100 Claim limit. Specifically, the Reorganized Debtors are seeking authority to object to aggregate Claims not to exceed 500 in any single Omnibus Objection. In support of this request, the Reorganized Debtors note, as discussed in paragraph 76 below, that other Courts in this district have allowed claims objection procedures similar to the Claims Objection Procedures proffered by the Reorganized Debtors herein, and, as discussed in paragraphs 40 and 41 below, that each Claimant will receive a customized notice of the inclusion of such Claimant's Claim(s) in the applicable Omnibus Objection. Thus, Claimants will not be prejudiced by allowing objections to more than 100 Claims as part of these procedures.

40. As referenced above, the Reorganized Debtors will supplement each Omnibus Objection with customized notices of objection (the "Customized Notices") addressed to the party identified on the first page of each Claim referenced therein (as such addresses may have been or may be supplemented or amended pursuant to Bankruptcy Rule 2002(g) during the pendency of these proceedings). With respect to Claims that have been transferred or assigned by the initial Claimant, a Customized Notice will be provided only to the party listed as owner of such Claims on the Debtors' claims register as of the date the Objection or Omnibus Objection is filed.

41. Each Customized Notice will include a copy of the applicable Omnibus Objection and all exhibits thereto, listing all Claims subject to the Objection(s) asserted therein. Moreover, each Customized Notice will: (i) identify the particular Claim or Claims filed by each Claimant that are the subject of the Objection(s) (but will not include a copy of the relevant Proofs of

Claim, which will be available on the Reorganized Debtors' case information website located at <http://www.qwusadocket.com>); and (ii) notify such Claimant of the steps that must be taken to contest the Objection(s) in respect of such Claimant's Claim(s).

42. Each Omnibus Objection will also specify either the date of the hearing thereon, or will indicate that no hearing has yet been scheduled. Pursuant to the Final Order (I) Establishing Case Management Procedures For: (A) Omnibus Hearing Dates And (B) Certain Notice, Case Management, And Administrative Procedures (the "Case Management Order"), entered February 21, 2008 (Docket No. 268), Omnibus Objections will be scheduled for a hearing on the next-scheduled Omnibus Hearing Date, if applicable, or at a separate hearing scheduled by the Court. If a hearing at the next-regularly scheduled Omnibus Hearing Date will result in less than thirty (30) days notice to Claimants, the hearing on such Omnibus Objection will be scheduled for the next Omnibus Hearing Date thereafter, or at a separate hearing date scheduled by the Court.

43. Once a hearing date has been scheduled in connection with any Objection or Omnibus Objection filed by the Reorganized Debtors, the deadline for filing any response thereto (the "Response") will be 4:00 p.m. (prevailing Eastern Time) on the date that is ten (10) calendar days prior to such hearing date (the "Response Deadline"). A Response will be considered timely only if, prior to the Response Deadline, it is properly filed in accordance with the Case Management Order and served so as to be actually received by the following parties: (i) the attorneys for the Debtors, Arnold & Porter LLP, 399 Park Ave., New York, New York 10022-4690, Attn: Michael J. Canning, Esq. and (ii) the attorneys for the Joint Claims Oversight Committee, Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, NY 10019-6064, Attn: Andrew N. Rosenberg, Esq.

44. Responses must include the following (at a minimum): (a) an appropriate caption, setting forth the name of the Bankruptcy Court, the name of the Debtors, the title and date of the Objection or Omnibus Objection to which the Response is directed; (b) the name of the Claimant, the reference number of the Proof(s) of Claim or 503(b)(9) Claim(s) (as identified on the claims register maintained on the Debtors' case information website (located at <http://www.qwusadocket.com>)), and an explanation of the basis for the amount of such Claimant's Claim(s); (c) a concise statement setting forth the reasons why the Court should not sustain the Objection or Omnibus Objection, including, but not limited to, the specific factual and legal bases upon which the Claimant will rely in opposing the Objection or Omnibus Objection; (d) copies of any documentation and other evidence upon which the Claimant will rely in opposing the Objection or Omnibus Objection at a hearing;⁵ (e) sworn affidavits or declarations conforming to 28 U.S.C. 1746 of persons with personal knowledge of any new facts relied upon to support the Response;⁶ and (f) the Claimant's name, address, telephone number and facsimile number and/or the name, address, telephone number and facsimile number of the Claimant's attorney and/or person designated as the representative to whom the attorneys for the Reorganized Debtors should serve a reply to the Response, if any, and/or the name, address, telephone number, facsimile number, and electronic mail address of the party with authority to reconcile, settle or otherwise resolve the Claim(s) on the Claimant's behalf (collectively, the "Notice Addresses.").⁷

⁵ If the Claimant cannot timely provide such documentation and other evidence, it should provide a detailed explanation in the Response as to why it was not possible to timely provide such documentation and other evidence.

⁶ If the Claimant cannot timely provide such declarations, it should provide a detailed explanation in the Response as to why it was not possible to timely submit such declarations.

⁷ If a Response contains Notice Addresses that are different from the name and/or address listed on the Claim(s), the Notice Addresses will become the service address for future service of papers with respect to only those Claim(s) in the Objection or Omnibus Objection subject to the Response.

45. If no timely written Response is filed and served in response to an Objection or Omnibus Objection with respect to Claims addressed therein, the Debtors may submit to the Court, at or prior to the scheduled hearing, an appropriate order granting the relief requested in the Objection or Omnibus Objection in respect of the Claim(s) of such Claimant without further notice to the Claimant.⁸

46. Each contested Claim as to which the Claimant timely and properly files a Response to the Objection or Omnibus Objection will constitute a separate contested matter, as provided by Bankruptcy Rule 9014. Unless otherwise ordered by the Court, the first scheduled hearing with respect to an Objection or Omnibus Objection will not be an evidentiary hearing at which witnesses may testify.

47. If a timely Response is filed, and the Reorganized Debtors determine that discovery is needed to address such Response, the initial hearing on the Objection or Omnibus Objection may be converted into a status conference in respect of the Claim(s) and the Objection or Omnibus Objection to which the Response was filed during which the parties will request that the Court issue a scheduling order to facilitate resolution of the litigation. Further, upon the consent of counsel to the Reorganized Debtors, the hearing on an Objection or Omnibus Objection to any Claim may be adjourned to a subsequent hearing date in these Chapter 11 Cases.

48. The Reorganized Debtors may file a written reply to any Response to an Objection or an Omnibus Objection (the "Reply") no later than one (1) business day before the date on which the Objection or Omnibus Objection to Claim(s) subject to the Response is

⁸ To avoid possibility of confusion, neither the filing of a Response with respect to a given Claim, nor the adjournment of a hearing with respect to a specific Objection or Omnibus Objection, shall delay the entry of an order sustaining Objections or Omnibus Objections to Claims for which written Responses were not timely filed and served.

scheduled for argument, unless otherwise ordered by the Court. The Reorganized Debtors may, also, in their discretion, seek to settle disputed issues related to any Claim or any Objection or Omnibus Objection thereto prior to the hearing on such Objection or Omnibus Objection, and if such dispute or disputes are resolved prior to the hearing, provide the Court with a report of such resolution at the hearing and submit to the Court an order resolving such dispute.

49. The Reorganized Debtors believe that these Claim Objection Procedures provide an appropriate and efficient framework for the administration of Objections to Claims in these Chapter 11 Cases. In light of the Customized Notice that each Claimant will receive, the Reorganized Debtors believe that granting the relief sought herein will not prejudice the estates' creditors. Moreover, the Claims Objection Procedures will provide substantial savings to the Reorganized Debtors, conferring a significant benefit to all of the estates' creditors while preserving the due process rights of all individual Claimants.

B. Procedures for Objection to and Resolution of Multiple Claims of Individual Claimants

50. Certain Claimants in these Chapter 11 Cases have filed Claim(s) in more than one category or multiple Claims in a particular category; *i.e.*, they have filed Proof of Claims, 503(b)(9) Claims and/or Reclamation Demands, in addition to any Scheduled Claims that may have been referenced in the Debtors' Schedules related to such Claimant (the "Multi-Claim Creditors"). Typically, these Multi-Claim Creditors are suppliers of, or trade creditors to, one or more of the Debtors and/or QWI who have filed multiple Claims in these Chapter 11 Cases based on the dates of delivery of goods and services to the Reorganized Debtors and/or QWI. In many instances, these assertions are not consistent with the Debtors' books and records, and the Reorganized Debtors will likely object to these Claims as filed not only in respect of the amount

of such Claims but also the characterization of some or all of such Claims as 503(b)(9) Claims, valid Reclamation Demands, or general unsecured Claims.

51. With respect to the Claims of these Multi-Claim Creditors, the Reorganized Debtors believe that it will be more efficient and cost effective for the Debtors' estates to address these Claims, in whole or in part, collectively, by means of omnibus motions (each an "Omnibus Resolution Motion") that set forth the Reorganized Debtors' proposed resolution or disposition of each of the Claims of these Multi-Claim Creditors on separate exhibits for each Multi-Claim Creditor attached to the applicable Omnibus Resolution Motion. In this manner, the Reorganized Debtors can best evidence their overall view as to what amounts claimed by each Multi-Claim Creditor should be accorded 503(b)(9), Reclamation Demand and/or general unsecured Claim status, based on the Debtors' books and records as to the quantity, cost, location, and delivery dates in respect of the goods and services in question, and the availability of any set-offs, rebates and/or credits on account of such goods and services. Indeed, utilizing these procedures (the "Multi-Claim Procedures") will more clearly and concisely set forth the Reorganized Debtors' Objections to these Claims, thereby fostering discussion, resolution and allowance of such Claims.

52. In addition to fostering the efficient resolution of multiple Claims filed against the Debtors by certain suppliers and trade creditors, implementation of the Multi-Claim Procedures, together with the Claims Objections Procedures, will satisfy the requirements of section 503 of the Bankruptcy Code, which requires notice and a hearing before any 503(b)(9) Claim may be allowed, and comply with the prior order of this Court in respect of 503(b)(9) Claims. In this regard, on April 21, 2008, this Court entered an Order (the "503(b)(9) Order") Granting the Debtors' Motion for Entry of an Order Establishing and Implementing Exclusive Global

Procedures for the Allowance and Payment of Section 503(b)(9) Claims Relating to Goods Received Within Twenty Days Prior to the Petition Date (Docket No. 583), which 503(b)(9) Order required, among other things, that with respect to 503(b)(9) Claims filed by the Bar Date, such Claims would be deemed allowed unless objected to by the Debtors or other parties in interest in accordance with further procedures for claim allowance to be established by the Court. By this Application, the Debtors seek approval of such procedures.

53. Moreover, implementation of the Multi-Claim Procedures, together with the Claims Objection Procedures, will provide the requisite procedures necessary for the Debtors to comply with both section 503(b) of the Bankruptcy Code and the 503(b)(9) Order, and will allow the Reorganized Debtors to utilize omnibus procedures not only to object to Claims on the grounds permitted under Bankruptcy Rule 3007, as supplemented by paragraph 36 above, but to do so in a coordinated process that will facilitate the orderly resolution of all Claims asserted against the Debtors by the applicable Multi-Claim Creditors.

54. Similar to the Claims Objection Procedures, Multi-Claim Creditors will not be prejudiced by implementation of the Multi-Claim Procedures as, except as otherwise provided by order of the Court, the Debtors shall provide at least thirty (30) days notice to each Multi-Claim Creditor listed in an Omnibus Resolution Motion, with responses to such Omnibus Resolution Motion not due until ten (10) calendar days prior to the hearing scheduled on such Omnibus Resolution Motion. Once again, the same procedures applicable to the filing of Responses and Replies, negotiating settlements, and setting the matter for hearing that apply under the Claims Objection Procedures will apply under the Multi-Claim Procedures. Indeed, Multi-Claim Creditors may object to the proposed resolution of their Claims in the same manner as that proposed for filing Responses to Omnibus Objections, with the Reorganized Debtors having the

option thereafter of (i) withdrawing the resolution proposed in the Omnibus Resolution Motion relative to some or all of the Claims of such Multi-Claim Creditor, so as to address such Claims separately by means of the general Claims Objection Procedures; (ii) seeking a consensual resolution of the Claims of such Multi-Claim Creditor, and thereafter seeking an order of the Court approving the final, agreed upon resolution of such Claims; or (iii) seeking a hearing before the Court to judicially resolve any remaining disputes related to such Claims.

55. The Reorganized Debtors are currently in the process of seeking to resolve by individual stipulations several situations where an individual Claimant holds multiple Claims in several categories (including 503(b)(9) Claims and Reclamation Demands), or multiple Claims in the same category, and anticipate that with respect to most of such Claimants they will file individual stipulations for review and approval by the Court. In those instances where such Claims are for smaller dollar amounts, are not complicated by other factors, or where the Reorganized Debtors are otherwise unable to reach agreement with the applicable Multi-Claim Creditor, the Reorganized Debtors believe that the ability to file Omnibus Resolution Motions that permit the Reorganized Debtors to address the multiple Claims of individual Multi-Claim Creditors will allow the Reorganized Debtors to efficiently resolve the numerous Claims of such Multi-Claim Creditors efficiently, and without the need for several rounds of Omnibus Objection Motions. Accordingly, by this Application the Reorganized Debtors hereby seek approval of the Multi-Claim Procedures.

III. PROCEDURES FOR THE RESOLUTION OF CONVENIENCE CLAIMS

56. To promote the efficient resolution of Convenience Claims (as defined in the Plan), the Reorganized Debtors request that the following procedures shall apply to the

objection, resolution and allowance of Convenience Claims (the “Convenience Claims Procedures”).

57. Pursuant to Section 4.5 of the Plan, each holder of an Allowed Convenience Claim, as defined therein, is entitled to receive, in full satisfaction, settlement, release, and discharge of, and in exchange for, the aggregate amount of such Claimant’s allowed unsecured Claims, cash equal to the lesser of (i) the aggregate amount of all such Claimant’s allowed unsecured Claims; or (ii) \$2,500.

58. By implementation of the Convenience Class, the Debtors’ Plan provides for full recovery for small creditors holding one or more allowed unsecured Claims aggregating \$2,500 or less, and provides creditors with unsecured Claims aggregating in excess of \$2,500 the right to elect into the Convenience Class. In this regard, approximately 1,300 creditors were either placed in the Convenience Class or elected to reduce their Claims in order to have their Claims awarded Convenience Class treatment.

59. The Reorganized Debtors are now seeking approval of procedures that will facilitate the objection, resolution and allowance of these Convenience Claims. To that end, the Reorganized Debtors hereby seek authority to file omnibus motions addressing the allowance of all Claims either placed in the Convenience Class or regarding which the holders thereof have elected Convenience Class treatment for such Claims (each an “Omnibus Convenience Claims Motion”).

60. Specifically, the Reorganized Debtors seek authority to file one or more Omnibus Convenience Claims Motions, each of which will include a list of Claimants that hold Convenience Claims that were either placed in the Convenience Class pursuant to the provisions of the Plan, or regarding which such Claimants have elected to receive Convenience Class

treatment for such Claims. Each such list will take the form of an exhibit to the applicable Omnibus Convenience Claims Motion and will set forth: (i) the name of each Claimant; (ii) the relevant Claim number(s) and the amount of each Convenience Claim(s) as filed by such Claimant; and (iii) the treatment proposed by the Reorganized Debtors for each Convenience Claim held by such Claimant addressed in the Omnibus Convenience Claims Motion, which the Reorganized Debtors anticipate will be generally the lesser of the aggregate amount of such Claimant's filed Claim(s) and \$2,500.00.

61. Similar to the Claims Objection Procedures, the Reorganized Debtors, except as otherwise provided by order of the Court, shall provide at least thirty (30) days notice to each Claimant of any hearing on an Omnibus Convenience Claims Motion that addresses such Claimant's Claim(s), with the deadline for filing any response to such Omnibus Convenience Claims Motion again being ten (10) calendar days prior to the hearing scheduled thereon. The procedures for filing Responses and Replies, negotiating settlements, and for setting the matter for hearing, as discussed above relative to the Claims Objection Procedures and the Multi-Claim Procedures, are replicated in the Convenience Claims Procedures, as more fully set forth in the Claims Procedures attached hereto as Exhibit B.

62. The Reorganized Debtors once again believe that applicable Claimants will not be prejudiced by the Convenience Claims Procedures, as such Claimants (and other interested parties) will be able to file Responses if they disagree with the Reorganized Debtors' proposed treatment of such Convenience Claims, and will have the opportunity for consensual resolution or, ultimately, judicial determination of their Claims if agreement with the Reorganized Debtors cannot be reached. As the Reorganized Debtors believe that the vast majority of these Claims will not be contested, the Reorganized Debtors assert that the Convenience Claims Procedures

are in the best interest of all parties, as implementation of these procedures will allow for the efficient resolution of over 1,000 Claims in a timely manner, thereby enabling affected Claimants to receive a distribution on behalf of their Convenience Claims at the earliest applicable Periodic Distribution Date.

IV. CLAIM SETTLEMENT PROCEDURES

63. As noted above, the Reorganized Debtors are currently in discussions with a significant number of Claimants regarding the consensual resolution of their Claims, and anticipate that they will continue to engage in such discussions with Claimants throughout the claims resolution process. In some instances, these discussions are with Claimants holding very significant, complex Claims against the Debtors, while in many instances, the Claims involved are straightforward, and modest in amounts. In most of these instances the Debtors believe that a consensual resolution is feasible, if not highly likely, with the applicable Claimants (collectively, the "Consensual Resolution Creditors").

64. Upon reaching agreement with a Consensual Resolution Creditor regarding the resolution of such Claimant's Claim(s), the Reorganized Debtors intend to enter into an appropriate stipulation, or other written agreement or email exchange with such Consensual Resolution Creditor, setting forth the terms and conditions of the resolution of such Claim(s), and by this Application the Reorganized Debtors seek approval of procedures (the "Claim Settlement Procedures") to implement the consensual resolution and allowance of such Claim(s).⁹

⁹ For clarity, the Claims to be addressed by the Claim Settlement Procedures are Claims that are not Agreed Upon Claims where the Reorganized Debtors are in agreement in respect of such Claims as filed. They are, instead, Claims that the Reorganized Debtors do, in fact, dispute, but regarding which the Reorganized Debtors have not filed any Objections nor have such Claims been the subject of any Omnibus Objection or any Omnibus Resolution Objection filed by the Reorganized Debtors. Moreover, they are disputed Claims regarding regarding which the Reorganized Debtors have reached a consensual resolution with the applicable Claimants.

65. Specifically, as contemplated by the Plan, the Reorganized Debtors seek authority to compromise and settle disputed Claims held by Consensual Resolution Creditors, in any such case either by means of an appropriate stipulation with such Consensual Resolution Creditor, or, at the Reorganized Debtors election, by such other written agreement, including an email exchange, as may be agreed upon between the parties, whether or not rising to the level of a formal stipulation (each a "Permitted Settlement"); provided, however, that with respect to the settlement of any Claim(s) of a Consensual Resolution Creditor which individually, or in the aggregate, are in excess of \$1,000,000, the Reorganized Debtors may only compromise and settle such Claim(s) upon reasonable prior notice of such proposed settlement to the Joint Claims Oversight Committee. Permitted Settlements may address: (i) the allowance or disallowance of any Claim(s) and the amount of any such Allowed Claim(s); (ii) the allowance of such Claim(s) as priority or secured Claim(s) under the Bankruptcy Code; (iii) the allowance of such Claim(s) as 503(b)(9) Claims or administrative Claims; and/or (iv) the settlement of a Reclamation Demand.

66. In order to implement any Permitted Settlements, and to provide for the allowance of any Claims resolved pursuant to such Permitted Settlements, the Reorganized Debtors seek further authority to file one or more omnibus applications (each an "Omnibus Application to Allow Permitted Settlements") to which will be attached an exhibit summarizing each of the Permitted Settlements entered into by the Reorganized Debtors during the period covered by such Omnibus Application to Allow Permitted Settlements (in each case a "Settlement Exhibit").

67. In this regard, each Settlement Exhibit shall set forth: (i) a list of each Consensual Resolution Creditor that holds Claims that are subject to a Permitted Settlement addressed in the applicable Omnibus Application to Allow Permitted Settlements; (ii) the Claim number(s) and

the amount of each Claim of such Consensual Resolution Creditor addressed therein; and (iii) the proposed treatment of such Claims as provided for in the applicable Permitted Settlements.

68. Each Omnibus Application to Allow Permitted Settlements may be filed on ten (10) days notice of presentment in accordance with the Local Rules. To the extent that no objection is filed in respect of the allowance of any Claim listed on the applicable Settlement Exhibit, such Claim shall be allowed by order of the Court, and, to that end, the Reorganized Debtors shall, without the need for a Court hearing, submit an order for entry by the Court allowing those Claims as to which no objections have been filed, which determination shall be deemed final and binding on the Reorganized Debtors' estates and all parties in interest.

69. With respect to any Claim as to which an objection (a "Settlement Objection") is filed with the Court and served on the Reorganized Debtors within the ten (10) day notice period (the "Settlement Objection Deadline"), the Court shall set a hearing for determination of such Settlement Objection.

70. The Reorganized Debtors believe that Claimants and other parties in interest will not be prejudiced by the Settlement Procedures, as any party in interest may file a Settlement Objection with the Court in respect of any Claim for which allowance is being sought pursuant to an Omnibus Application to Allow Permitted Settlements, and, absent a consensual resolution of such Claim, such Claim will be subject to judicial resolution by the Court.

71. The Claim Settlement Procedures herein proposed by the Reorganized Debtors are designed to promote the fair and efficient resolution of Claims as part of the claims process in these Chapter 11 Cases. The Reorganized Debtors believe that these Claim Settlement Procedures will foster the efficient, consensual resolution of a significant number of Claims without the necessity for filing countless individual stipulations or requiring judicial intervention

to resolve each Claim. To facilitate this process, the Claim Settlement Procedures provide a mechanism for the reconciliation and allowance of Claims, which process will fix the amount and priority applicable to each Claim consensually, with judicial proceedings required only to the extent that the Joint Claims Oversight Committee, or other parties in interest, as applicable, file objections.

72. Moreover, as the Reorganized Debtors believe that the overwhelming majority, if not all, of these Permitted Settlements will not be contested, the Reorganized Debtors assert that the Settlement Procedures are in the best interest of all parties, and that implementation of these procedures will allow for the efficient, timely resolution and allowance of affected Claims where the Reorganized Debtors and the Consensual Resolution Creditor reach consensual resolution with respect to such disputed Claims.

Justifications for the Establishment of Claims Procedures

73. For the foregoing reasons, the Reorganized Debtors believe that the Claims Procedures described above will greatly assist the Debtors and the Court in the administration of the thousands of Claims asserted in these Chapter 11 Cases. Indeed, as described above, the Claims Procedures will: (a) preserve the Claimants' due process protections in the claims objection process; (b) provide greater certainty in administering the claims objection process by providing an overall framework for the process; (c) assist in streamlining the prosecution of Objections to Claims; (d) assist in administering the discovery and hearing process relating to any contested Objections; (e) promote the consensual resolution of Claims without litigation; (f) establish an efficient mechanism to implement the allowance and settlement of Claims, while providing appropriate notice to parties in interest depending on the size and nature of the settlement; and (g) help minimize the expense, delay and uncertainty in the claims objection and

settlement process, which, in turn, will help conserve the resources of the Court and the Debtors' estates. Accordingly, the Reorganized Debtors submit that the proposed Claims Procedures will inure to the benefit of all parties in interest and that this Court should exercise its authority, pursuant to section 105(a) of the Bankruptcy Code, to enter an Order approving the Claims Procedures.

74. Section 105(a) of the Bankruptcy Code provides, in pertinent part, that a bankruptcy court may "issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code]." 11 U.S.C. § 105(a). Under section 105(a) of the Bankruptcy Code, the Court has expansive equitable power to fashion any order or decree that is in the interest of preserving or protecting the value of the debtor's assets. See, e.g., In re Keene Corp., 168 B.R. 285, 292 (Bankr. S.D.N.Y. 1994) ("Under 11 U.S.C. § 105(a), the Court can 'use its equitable powers to assure the orderly conduct of the reorganization proceedings.'") (quoting In re Neuman, 71 B.R. 567, 571 (S.D.N.Y. 1987)); Chinichian v. Campolongo (In re Chinichian), 784 F.2d 1440, 1443 (9th Cir. 1986) ("Section 105 sets out the power of the bankruptcy court to fashion orders as necessary pursuant to the purposes of the Bankruptcy Code.") (citations omitted).

75. Authorizing the Claims Procedures is an appropriate use of this Court's power under section 105 of the Bankruptcy Code to effectuate the provisions of, among others, section 502 of the Bankruptcy Code. The Claims Procedures will enhance the efficient administration of the Debtors' cases and thereby serve to promote the Debtors' reorganization and the policies of the bankruptcy process.

76. Recognizing the benefits of global claims settlement and objection procedures, other Courts in this District and elsewhere have approved claims procedures in large chapter 11

cases. See In re Frontier Airlines Holdings, Inc., 08-11298 (RDD) (Bankr. S.D.N.Y. January 5, 2009); In re Dana, 06-10354 (BRL) (Bankr. S.D.N.Y. November 9, 2006); see also In re Northwest Airlines Corp., 05-17930 (ALG) (Bankr. S.D.N.Y. Sept. 13, 2006) (establishing claims objection and settlement procedures); In re Delta Air Lines, Inc., 05-17923 (ASH) (Bankr. S.D.N.Y. Oct. 12, 2006) (separate orders establishing claims objection and settlement procedures); In re Mirant Corp., 03-46590 (DML) (Bankr. N.D. Tex. June 8, 2004) (establishing claims objection and settlement procedures).

77. For the foregoing reasons, the Reorganized Debtors request that the Court approve the Application and the Claims Procedures, as set forth herein and in Exhibit B attached hereto.

Extending the Deadline for Filing Objections to 503(b)(9)/Reclamation Claims

78. Pursuant to section 9.5 of the Plan, the 503(b)(9)/Reclamation Claims Objection Deadline, as defined therein, is currently scheduled to expire on October 19, 2009, unless further extended by an order of the Court. In connection with this Application, the Reorganized Debtors seek entry of an order pursuant to Bankruptcy Rule 9006(b)(1) extending the 503(b)(9)/Reclamation Claims Objection Deadline through and including the Claims/Interests Objection Deadline (as defined and provided for under the Plan) that is, January 18, 2010.

79. Specifically, Bankruptcy Rule 9006(b)(1) permits the extension of the 503(b)(9)/Reclamation Claims Objection Deadline, providing, in relevant part, that “when an act is required or allowed to be done at or within a specified period ... or by order of court, the court for cause shown may at any time in its discretion (1) with or without motion or notice order the period enlarged if the request therefor is made before the expiration of the period originally prescribed or as extended by a previous order.” Moreover, section 105 of the Bankruptcy Code

grants bankruptcy courts broad authority and discretion to take actions and implement procedures necessary to administer a bankruptcy case. Section 105(a) of the Bankruptcy Code provides, in pertinent part, that “[t]he court may issue any order, process or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code].”

80. The Reorganized Debtors have been actively engaged in reviewing, analyzing and reconciling in excess of 9,000 Claims filed in and asserted against their estates in connection with these Chapter 11 Cases. Although this review process is well advanced, including with respect to 503(b)(9) Claims, the Reorganized Debtors believe that some additional time will, nevertheless, be required in order to process and resolve these Claims in an orderly fashion.

81. Specifically, the Reorganized Debtors initial estimate of the time that would be required to efficiently resolve 503(b)(9) Claims and Reclamation Demands filed against the Debtors is now inadequate due to several unforeseen factors, including, among others, (a) the unanticipated difficulty in resolving the form and substance of the constituent documents required to effectuate the consummation of the Plan; (b) the effort required to finalize the 175 corporate related Restructuring Transactions implemented in connection with the consummation of the Plan; and (c) the unanticipated changes within the management ranks of the Company that occurred in early to mid-September.

82. As a result of these events, the Claims resolution process has been somewhat delayed, and to the extent that the Reorganized Debtors are generally attempting to resolve the 503(b)(9) Claims and Reclamation Demands asserted by Claimants in concert with the resolution of all other Claims filed by such Claimants against the Debtors, so too has the resolution of the 503(b)(9) Claims and Reclamation Demands. Indeed, as set forth in Section II(B) of this Application, the Reorganized Debtors are seeking to resolve all of the Multi-Claim Creditors’

Claims in a global fashion, and as virtually all of the 503(b)(9) Claims and Reclamation Demands are held by Multi-Claim Creditors, the final resolution of these 503(b)(9) Claims and Reclamation Demands are tied to the broader resolution of the global Claims of such Claimants. Thus, the additional time sought herein will not only facilitate the resolution of the 503(b)(9) Claims and Reclamation Demands of such Claimants, but will result in the final resolution of all Claims of such Claimants.

83. Moreover, as noted above, notwithstanding these unanticipated obstacles, the Reorganized Debtors have made significant process in resolving Claims, and believe that by implementing the Claims Procedures for which authority is sought herein, they will be in a position to resolve and/or file requisite objections to all of the 503(b)(9) Claims and Reclamation Demands within the requested extended time period.

84. Accordingly, the Reorganized Debtors respectfully submit that the extension of the 503(b)(9)/Reclamation Claims Objection Deadline is a reasonable and necessary request under the circumstances, and will assure sufficient time for the Reorganized Debtors to properly evaluate and determine the validity of each 503(b)(9) Claim and/or Reclamation Demand, and to do so in the context of a global resolution of all of the affected Claimant's Claims. The requested relief, therefore, is in the best interest of the Reorganized Debtors, creditors and other parties in interest and should be granted.

Notice

85. Pursuant to the Case Management Order, notice of this Application has been given to the parties identified on the Notice List (as such terms are defined in the Case Management Order). In light of the nature of the relief requested herein, the Debtors submit that no other or further notice is required. In particular, this Application is procedural in nature and

the requested relief does not purport to alter any creditor's substantive rights. Accordingly, the Reorganized Debtors submit that serving each of the thousands of creditors in these cases with a copy of the Application is unnecessary and would be wasteful of the Reorganized Debtors' resources.

86. This Application and the Claims Procedures have been reviewed by the Joint Claims Oversight Committee and the Office of the United States Trustee, each of whom has approved the Claims Procedures as set forth on Exhibit B hereto.

Prior Request

87. No prior request for the relief sought in this Application has been made to this or any other Court.

WHEREFORE, the Reorganized Debtors respectfully request that the Court (a) enter an order substantially in the form attached hereto as Exhibit A, approving the Claims Procedures attached hereto as Exhibit B and granting the relief requested herein; (b) extend the 503(b)(9)/Reclamation Claims Objection Deadline to January 18, 2010 and (c) grant such other and further relief to the Debtors as the Court may deem proper.

Dated: New York, New York

October 15, 2009

Respectfully submitted,

ARNOLD & PORTER LLP

By: /s/ Michael J. Canning

Michael J. Canning
399 Park Avenue
New York, New York 10022-4690
Telephone: (212) 715-1000
Facsimile: (212) 715-1399

Counsel for the Reorganized Debtors