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

In re	Chapter 11
Quebecor World (USA) Inc., <u>et al.</u> ,	Case No. 08-10152 (____)
Debtors.	Jointly Administered
	Honorable _____

**MOTION OF DEBTORS FOR AN ORDER
APPROVING CROSS-BORDER INSOLVENCY PROTOCOL**

The above-captioned Debtors (the “Debtors”)¹ hereby move the Court (the “Motion”), pursuant to the applicable provisions of chapter 11 of title 11 of the United States Code (the

¹ Contemporaneously, herewith, the Debtors have filed a motion to have their Chapter 11 cases consolidated for procedural purposes and jointly administered. The Debtors are the following entities: Quebecor World (USA) Inc., Quebecor Printing Holding Company, Quebecor World Capital Corporation, Quebecor World Capital II GP, Quebecor World Capital II LLC, WCZ, LLC, Quebecor World Lease GP, Quebecor World Lease LLC, QW Memphis Corp., The Webb Company, Quebecor World Printing (USA) Corp., Quebecor World Loveland Inc., Quebecor World Systems Inc., Quebecor World San Jose Inc., Quebecor World Buffalo Inc., Quebecor World Johnson & Hardin Co., Quebecor World Northeast Graphics Inc., Quebecor World UP / Graphics Inc., Quebecor World Great Western Publishing Inc., Quebecor World DB Acquisition Corp., WCP-D, INC., Quebecor World Taconic Holdings Inc., Quebecor World Retail Printing Corporation, Quebecor World Arcata Corp., Quebecor World Nevada Inc., Quebecor World Atglen Inc., Quebecor World Krueger Acquisition Corp., Quebecor World Book Services LLC, Quebecor World Dubuque Inc., Quebecor World Pendell Inc., Quebecor World Fairfield Inc., QW New York Corp., Quebecor World Dallas II Inc., Quebecor World Nevada II

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“Bankruptcy Code”) and the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) for entry of an order, substantially in the form of Exhibit A hereto (the “Cross-Border Order”), approving the cross-border insolvency protocol that is attached hereto as Exhibit B (the “Protocol”). In support of the Motion, the Debtors state as follows:

Jurisdiction

1. This Court has jurisdiction over this Motion under 28 U.S.C. §§ 157 and 1334.

This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

2. Venue of this proceeding and this Motion is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory basis for the relief requested in this Motion is section 105(a) of the Bankruptcy Code.

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 United States Code (the “Bankruptcy Code”).

5. The Debtors are operating their businesses and managing their properties as debtors-in-possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code. No request has

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LLC, Quebecor World Dallas, L.P., Quebecor World Mt. Morris II LLC, Quebecor World Petty Printing Inc., Quebecor World Hazleton Inc., Quebecor World Olive Branch Inc., Quebecor World Dittler Brothers Inc., Quebecor World Atlanta II LLC, Quebecor World RAI Inc., Quebecor World KRI Inc., Quebecor World Century Graphics Corporation, Quebecor World Waukeel Inc., Quebecor World Logistics Inc., Quebecor World Mid-South Press Corporation, Quebecor Printing Aviation Inc., Quebecor World Eusey Press Inc., Quebecor World Infiniti Graphics Inc., Quebecor World Magna Graphic Inc., Quebecor World Lincoln Inc, and Quebecor World Memphis LLC..

been made for the appointment of a trustee or examiner, and no official committee has yet been established in this case.

6. On January 20, 2008, the Debtors' corporate parent, Quebecor World, Inc. ("QWI") together with each of the Debtors commenced a proceeding before the Superior Court of Quebec, Commercial Division, in 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").² Each of the Debtors was joined in the Canadian Proceeding, in order that each Debtor may obtain the protection of a stay under the CCAA as well as under the Bankruptcy Code.

I. The Debtors' Business

7. The Debtors collectively operate the second largest commercial printing business in the United States, maintaining approximately 78 facilities in 29 states. QWI is a Canadian corporation and the corporate parent of the 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 Debtors and all of QWI's debtor and non-debtor subsidiaries and affiliates are referred to herein as "QW World"). QWI is a public company with shares listed on the Toronto Stock Exchange and the New York Stock Exchange, and its registered and principal office is located in the City of Montreal in the Province of Quebec, Canada.

8. QW World's United States assets and operations are organized under QWI's principal United States subsidiary, Quebecor World (USA), Inc. ("QWUSA"). QWUSA, one of

² 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 to the Canadian Affiliates.

the Debtors, is a wholly-owned subsidiary of Quebecor Printing Holding Company (“QPCH”), also a Debtor, and a direct, wholly-owned subsidiary of QWI. As the corporate parent of QW World’s United States subsidiaries, QWUSA oversees the Debtors’ cash management, operations, employee matters and other areas. In addition, QWUSA is a party to certain of the Debtors’ prepetition financing agreements.

9. In addition to the Debtors’ operations and assets in the United States, and QWI’s operations and assets in Canada, QW World has operations and assets in Latin America, Europe and Asia, which are not the subject of any bankruptcy or insolvency proceeding. In Canada, QW World is the second largest commercial printer with 16 facilities in 5 provinces through which QW World offers a diversified mix of printed products and related value-added services, both to the Canadian market and internationally. QW World is also the largest independent commercial printer in Europe with 17 facilities operating in Austria, Belgium, Finland, France, Spain, Sweden, Switzerland and the United Kingdom, and is the largest commercial printer in Latin America with eight facilities, and has one facility in India.

10. For the year ending December 31, 2006, approximately 79% of QW World’s revenue was derived from North American operations, 17% from European operations and 4% from Latin American operations. QW World’s operations in the United States account for approximately 62% of overall revenue.

11. 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.,³

³ These include *Time*, *Fortune*, *Money*, *Sports Illustrated*, *People*, *Entertainment Weekly*, *Southern Living*, *Cooking Light* and *Coastal Living*.

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) catalogues 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 Telmex and Telefonica in Latin America and (d) direct mail services.

12. QW World's sales and marketing activities are highly integrated and reflect an increasingly global approach to customers' needs, complemented by product specific sales efforts. Sales representatives are located in plants or in regional offices throughout North America, Europe and Latin America, and customers are able to coordinate simultaneous printing throughout QW World's network through a single sales representative.

13. Not surprisingly, the principal raw materials used in QW World's businesses are paper and ink. The Debtors, together with their non-debtor affiliates, utilize centralized raw material purchases in order to avoid administrative complications and realize cost benefits from efficiencies of scale. For most purchases, QW World negotiates with a limited number of suppliers to maximize purchasing power, although QW World does not rely on any single supplier.

14. Much of the Debtors' business is seasonal, with the majority of historical operating income occurring during the second half of the financial year. This is primarily due to seasonal advertising patterns and the related higher number of magazine pages, new product

launches and back-to-school, retail and holiday catalogue promotions. Because the Debtors depend on advertising for a significant portion of their revenue, operating results are also sensitive to prevailing economic conditions.

II. The Debtors' Industry

15. Commercial printing is a highly fragmented, capital intensive industry. The North American, European and Latin American printing industries are very competitive in most product categories and geographic regions. The Debtors estimate that in 2006, in the United States alone, there were approximately 30,700 commercial printers, with industry analysts considering most of the industry's markets to be currently oversupplied – and competition is significant. Competition is largely based on price, quality, range of services offered, distribution capabilities, customer service, availability of printing time on appropriate equipment and state-of-the-art technology.

16. In addition to competition from other commercial printers, technological changes continue to erode the Debtors' businesses, as increased accessibility and quality of electronic alternatives to the traditional delivery of printed documents, through the increased use of the internet and the electronic distribution of media content, documents and data, which provide consumers with virtually instant access to information. Nevertheless, while such trends put pressure on the Debtors' operations, the Debtors believe printed media will continue to play a strong role in marketing, advertising and publishing.

III. Prepetition Credit Obligations and Receivables Facility

17. The principal debt obligations and receivables facility of the Debtors currently outstanding consist of:

- (a) A \$750 million revolving credit facility with a bank syndicate under which the Royal Bank of Canada is administrative agent, secured up to a maximum of \$135 million by (i) unlimited guaranties, dated on or about October 26, 2007 from certain of the Debtors; (ii) a pledge of the shares of Debtor QW Memphis Corp. (“QW Memphis”) by Debtors QWUSA, the Webb Company and Quebecor World Memphis LLC, dated October 26, 2007; (iii) a pledge of the shares of QWUSA by QPHC, dated October 26, 2007; (iv) security on all personal and real property of QW Memphis, dated October 26, 2007, excluding accounts receivable subject to the North American receivable sale program and certain real estate located in Covington, Tennessee; and (v) security on all inventory of QWI located in Canada, dated October 26, 2007. As of January 11, 2008, the aggregate amount of indebtedness outstanding under the Bank Syndicate Agreement was approximately \$735 million.
- (b) An equipment financing agreement dated as of January 13, 2006 (as amended) among QWI, as borrower, QWUSA, as guarantor, and Société Générale (Canada) (“Soc Gen”), as lender, providing for an equipment financing credit facility in the aggregate amount of the Canadian dollar equivalent of €136,165,415 expiring on July 1, 2015.⁴ The equipment financing facility is guaranteed and secured on a *pari passu* basis up to \$35 million by the same collateral as the credit facilities under the bank syndicate agreement. As of January 11, 2008, the aggregate amount outstanding under the Equipment Financing Agreement was approximately \$155 million.
- (c) Certain of the Debtors and QWI are obligors under note issuances consisting of (i) an indenture dated as of November 3, 2003 among Quebecor World Capital Corporation (“QWCC”), as issuer, QWI, as guarantor, and Wilmington Trust Company, as trustee, providing for the issuance of 4.875% senior notes due in 2008 and 6.125% senior notes due in 2013. The aggregate amounts outstanding under such notes as of September 30, 2007 were \$199.9 million and \$398.2 million, respectively; (ii) an indenture dated as of December 18, 2006 among QWI, as issuer, QWUSA, Quebecor World Capital LLC (“QWLLC”) as predecessor in interest to Quebecor World Capital II LLC (“QWLLC II”) and Quebecor World Capital ULC (“QWULC”) as predecessor in interest to Quebecor World Capital II GP (“QWCGP”), as guarantors, and Wilmington Trust Company, as trustee, providing for the issuance of 9.75% senior notes due in 2015. The aggregate amount outstanding under such notes as of September 30, 2007 was \$400 million; (iii) an indenture dated as of March 6, 2006 among QWULC as predecessor in interest to QWCGP, as issuer, QWI, QWUSA and QWLLC as predecessor in interest to QWLLC

⁴ As of January 15, 2008, this is equivalent to approximately U.S. \$202,571,926.

II, as guarantors, and Wilmington Trust Company, as trustee, providing for the issuance of 8.75% senior notes due in 2016. The aggregate amount outstanding under such notes as of September 30, 2007 was \$450 million; and (iv) an indenture dated as of January 22, 1997 among QWCC, as issuer, QWI (then known as Quebecor Printing Inc.), as guarantor, and The Bank of New York, as trustee, providing for the issuance of 6.50% senior notes due in 2027. The aggregate amount outstanding under such notes as of September 30, 2007 was \$3.2 million. The terms and conditions of the Note Issuances limit the aggregate amount of secured indebtedness that may be incurred under the Bank Syndicate Agreement and the Equipment Finance Agreement to approximately \$170 million.

- (d) QWI and certain of the Debtors are parties to an accounts receivable facility pursuant to: (i) a Canadian receivables purchase agreement dated as of October 24, 2007 between QWI, as seller, and Quebecor World Finance Inc. (“QWF”), as purchaser, whereby QWI sells, with limited recourse, its Canadian trade receivables on a revolving basis in an amount not to exceed \$135 million Canadian; (ii) a U.S. receivables purchase agreement dated as of September 24, 1999 (as amended) among certain Debtors, as sellers, and QWF, as purchaser, whereby the sellers sold, with limited recourse, all of their U.S. trade receivables on a revolving basis in an amount not to exceed \$408 million (\$459 million during peak season); and (iii) an amended and restated receivables sale agreement dated as of September 24, 1999, as amended and restated as of December 22, 1999 (as further amended the “RSA”) among, *inter alia*, QWF, as seller, the purchasers party thereto and ABN Amro Bank N.V., as agent (“ABN”). Pursuant to the RSA, ABN holds a first priority lien on all of the Debtors’ and QWI’s accounts receivable purchased by QWF under the respective Canadian and U.S. receivables purchase agreements. The Canadian receivables program was rolled into the U.S. receivable program on or about October 24, 2007, and as of December 31, 2007 the aggregate amount outstanding on account of the Debtors’ accounts receivable subject to the RSA was approximately \$428 million.

IV. Developments Necessitating Restructuring

18. QWI’s financial performance has suffered in the past few years, especially with respect to its European operations, as a result of a combination of factors, including declining prices and sales volume, and a temporary disturbance caused by a major retooling of its printing operations initiated in 2002. While it has substantially completed its retooling program in North America, and achieved, and even surpassed, its cost reduction objectives, QWI has not yet met its forecasted earnings projections. Rather, the combination of significant capital investments

and continued operating losses, principally as a result of its European operations, together with the write down of its European assets, including goodwill, has resulted in increased financing needs. During this period, it was also necessary for QWI to repurchase certain private notes in order to avoid breaching certain debt to equity ratios, while also facing reduction in amounts available under the Bank Syndicate Agreement. These factors have had a significant impact on all of the members of QW World's corporate family, and, accordingly, have adversely impacted the Debtors' operations and financial position.

19. More recent events have further complicated the Debtors' efforts to improve their balance sheets and financial position. First, on November 13, 2007, QWI announced a refinancing plan consisting of a \$250 million equity offering and a \$500 million debt offering. On November 20, 2007, however, QWI announced the withdrawal of such refinancing plan due to adverse financial market conditions. Second, on December 13, 2007, QWI announced that it would not be able to consummate a previously announced transaction to sell its European operations, which would have resulted in proceeds to QWI of approximately \$341 million, to be paid in cash, shares and through the assumption of indebtedness.

20. In 2006, restructuring initiatives related to the closure or downsizing of various facilities were undertaken, mainly in connection with the North American and European operations, including the closure of printing and binding facilities in Illinois in the catalogue group, the closure of the Kingsport, Tennessee facility in the book group, and the closure of the Red Bank, Ohio, and the Brookfield, Wisconsin facilities in the magazine group, which further affected the Debtors' liquidity.

21. Although the Debtors have to date aggressively sought to raise additional funds, they have not been successful, and the lenders under the Bank Syndicate Agreement have

recently indicated that they will not provide any further advances under the bank facility beyond those currently permitted. Facing year end covenant defaults under the Bank Syndicate Agreement, the Debtors and QWI obtained a waiver from the bank syndicate lenders and from the sponsors of its North American securitization program, subject to the satisfaction of certain conditions and refinancing milestones, including obtaining \$125 million in new financing by January 15, 2008. The Debtors and QWI were not successful in satisfying the conditions and refinancing milestones set by the bank syndicate lenders.

22. Moreover, the Debtors are currently facing a severe liquidity crisis. Even if operations were conducted in the normal course of business, the Debtors' cash flow projections indicate that they will require approximately \$225 million to satisfy their obligations through the end of January 2008, with virtually no availability under the Bank Syndicate Agreement. In this regard, as of November 30, 2007 QWI had aggregate outstanding trade payables of approximately \$526.7 million, of which approximately \$120 million are attributable to the Debtors, \$135 million are attributable to QWI's other North American operations, \$211 million are attributable to the European operations and \$60.6 million attributable to Latin American operations. In addition to ordinary course payments, QWI was also contractually obligated to make debt payments of approximately \$19.5 million by January 15, 2008, which were not paid and to make payments related to pension obligations of approximately \$10 million, which were only partially made.

23. Quite simply, QWI and the Debtors do not have sufficient liquid resources to pay obligations that either are now due or are expected to become due in January, 2008. The lenders under the Bank Syndicate Agreement have indicated that they will not provide any advances under the bank facility beyond those currently permitted under the Bank Syndicate Agreement,

suppliers are demanding cash terms and customers are threatening to cease doing business with QWI and the Debtors altogether unless letters of credit or similar accommodations are provided to such customers.

24. Although the Debtors represent a significant portion of the operations of QWI – a global leader in the printing field – and enjoy significant competitive advantages and a strong customer base, the fact remains that their current financial situation cannot continue. The Debtors’ overall businesses remain viable and stable, but restructuring changes must be made, including the discontinuance of business segments that cannot be made profitable and the streamlining of other business segments to increase profitability, in order to return the Debtors to financial health.

Relief Requested

25. On January 20, 2008 (the “Canadian Filing Date”), the Debtors and QWI applied for protection from their creditors in Canada pursuant to the Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36 (Canada) (the “CCAA”; and the cases commenced by the Debtors and QWI thereunder, the “Canadian Proceedings”) in the Canadian Court, (together with this Court, the “Courts”).

26. On January 21, 2008, the Canadian Court issued an “initial order” (the “CCAA Initial Order”) pursuant to which it, *inter alia*, granted the application of the Debtors and QWI for protection under the CCAA and appointed Ernst & Young, Inc. as monitor (the “Monitor”) in the Canadian Proceedings.

27. In order to facilitate the Debtors’ reorganization efforts in light of the transnational nature of the Debtors’ businesses and the fact that the Debtors are also subject to the Canadian Proceeding, the Debtors respectfully submit that it is necessary to implement a

cross-border protocol between the Courts to address certain administrative issues anticipated to arise in coordinating the Canadian Proceedings and these Chapter 11 Cases. Specifically, a cross-border protocol is needed to ensure that: (i) the Canadian Proceedings and the Chapter 11 Cases are coordinated to avoid inconsistent, conflicting or duplicative activities; (ii) all parties are provided sufficient notice of key issues in both the Canadian Proceedings and the Chapter 11 Cases; (iii) the substantive rights of all parties are protected; and (iv) the jurisdictional integrity of each of the Courts is preserved.

28. The Protocol provides that it shall not divest or diminish the independent jurisdiction of this Court over the Chapter 11 Cases or of the Canadian Court over the Canadian Proceedings. In particular, nothing in the Protocol shall be construed to, among other things, (a) require this Court to take any action inconsistent with the laws of the United States, (b) require the Debtors or any professional to take any action or refrain from taking any action that would result in a breach of duty imposed on them by applicable law, (c) authorize any action that otherwise requires the specific approval of this Court or the Canadian Court, except to the extent such action is specifically provided for in the Protocol as approved by this Court and the Canadian Court or (d) preclude the Debtors or any party in interest from asserting such party's substantive rights under the applicable laws of the United States, Canada or any other jurisdiction, including, without limitation, rights of appeal.

29. The Protocol is designed to achieve these various objectives by implementing a framework of general principles to address the basic administrative and procedural issues arising

out of the simultaneous administration of the Canadian Proceedings and the Chapter 11 Cases.

In particular, the Protocol includes provisions relating to:⁵

- Conducting joint hearings before both this Court and the Canadian Court. Should this Court and the Canadian Court decide that it would be advisable to conduct a joint hearing on a particular matter, the Protocol sets forth administrative procedures, including procedures governing the submission of pleadings and evidentiary materials in both this Court and the Canadian Court, and procedures for communications between this Court and the Canadian Court before and after any joint hearing.
- Appearances by parties in the Chapter 11 Cases and the Canadian Proceedings. The Protocol provides the Debtors, creditors and other interested parties with the right and standing to appear and be heard either in this Court or the Canadian Court in the Chapter 11 Cases or the Canadian Proceeding, respectively, to the same extent as creditors and other interested parties domiciled in the forum country, subject to any local rules and regulations generally applying to parties appearing in the forum.
- Appointment and Compensation of Representatives. Any official committee, trustee or examiner appointed in the Chapter 11 Cases shall be subject to the sole and exclusive jurisdiction of this Court and shall not be required to seek approval of their retention, tenure or compensation by the Canadian Court. Similarly, the monitor and other estate representatives appointed in the Canadian Proceedings by the Canadian Court will be subject to the exclusive jurisdiction of the Canadian Court will not be required to seek approval of their retention or compensation in this Court.
- Retention and Compensation of Professionals. Professionals approved by this Court and retained in the Chapter 11 Cases shall be subject to the sole and exclusive jurisdiction of this Court and shall not be required to seek approval of their retention or compensation by the Canadian Court. Similarly, professionals retained by QWI or the court-appointed Monitor in the Canadian Proceedings will be subject to the exclusive jurisdiction of the Canadian Court will not be required to seek approval of their retention or compensation in this Court.
- Asset Sales. Transactions for the sale of property located in the United States shall be subject to the sole approval of this Court, and transactions for the sale of property located solely in Canada shall be subject to the sole approval of the Canadian Court.

⁵ The following is intended as a summary and is subject in all respects to the form of Protocol approved by this Court.

- Notice. The Protocol provides for notice to interested parties in both the Chapter 11 Cases and the Canadian Proceeding upon the filing of any motion, application or other pleading or paper that relates to matters addressed by the Protocol or having cross-border effect.
- Disputes Regarding the Protocol. The Protocol contains guidelines for the resolution of disputes with respect to the terms of the Protocol, such as consultation between the courts, deferral of a particular matter to one court for resolution, or convening a joint hearing.

30. The relief requested herein is authorized under the Court's general equitable powers, which are codified in section 105(a) of the Bankruptcy Code. Under section 105(a), the court "may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code]." The purpose of section 105(a) is "to assure the bankruptcy courts power to take whatever action is appropriate or necessary in aid of the exercise of their jurisdiction." 2 COLLIER ON BANKRUPTCY ¶ 105.01, at 105-6 (15th ed. rev. 2004). The Protocol provides a necessary and appropriate means for communication between the two Courts. That communication will allow for coordination of the Canadian Proceedings with these Chapter 11 Cases, and will prove beneficial to the administration of both the Chapter 11 Cases and the Canadian Proceedings and to the promotion of judicial economy.

31. A number of courts, in this District and elsewhere, have authorized similar protocols for managing cross-border insolvency proceedings. In re Calpine Corp., Case No. 05-60200 (BRL) (Bankr. S.D.N.Y. 2007); In re Systech Retail Sys. (U.S.A.), Inc., Case No. 03-00142 (ATS) (Bankr. E.D.N.C. 2003); In re Federal Mogul Global, Inc., Case No. 01-10578 (JKF) (Bankr. D. Del. 2001); In re Fin. Asset Mgmt. Found., Case No. 01-03640-304 (Bankr. S.D. Cal. 2001); In re PSINet Inc., Case No. 01-13213 (REG) (Bankr. S.D.N.Y. 2001); In re Laidlaw USA, Inc., Case No. 01-14099 (MJK) (Bankr. W.D.N.Y. 2001); In re Matlack Sys., Inc., Case No. 01-01114 (MFW) (Bankr. D. Del. 2001); In re Manhattan Inv. Fund Ltd., Case Nos. 00-10922 (BRL), 00-10921 (BRL) (Bankr. S.D.N.Y. 2000); In re Loewen Group Int'l,

Inc., Case No. 99-01244 (PM (Bankr. D. Del. 1999)); In re Philip Servs. Corp., Case No. 99 – 02385 (MFW) (Bankr. D. Del. 1999); In re Livent (U.S.) Inc., Case No. 98 – 48312 (AJG) (Bankr. S.D.N.Y. 1998). Accordingly, the Debtors submit that there is significant legal basis for granting the relief requested herein.

Memorandum Of Law

32. This Motion sets forth citations to the applicable authority and a discussion of their application to the requests set forth in this Motion. Accordingly, the Debtors respectfully submit that such citations and discussion satisfy the requirement under Local Bankruptcy Rule 9013-1 that the Debtors submit a separate memorandum of law in support of the Motion, and request that the Court waive such requirement with respect to this Motion.

Notice

33. No trustee, examiner or committee has been appointed in the chapter 11 Cases. Notice of this Motion has been provided to (a) the 60 largest unsecured creditors of the Debtors, (b) the Royal Bank of Canada as administrative agent under the Bank Syndicate Agreement, (c) Société Générale (Canada), (d) Wilmington Trust Company, as trustee for the 4.875% senior notes due in 2008 and 6.125% senior notes due in 2013, (e) Wilmington Trust Company, as trustee for the 9.75% senior notes due in 2015, (f) Wilmington Trust Company, as trustee for the 8.75% senior notes due in 2016, (g) the Chase Manhattan Bank, as trustee for the 6.50% senior notes due in 2027, (h) Debtors' proposed post-petition lender, (i) the United States Trustee for the Southern District of New York, (j) the Securities and Exchange Commission, (k) the Internal Revenue Service, (l) the United States Department of Justice, and (m) Ken Coleman, Esq., Allen & Overy, as counsel for the Monitor. The Debtors submit that no other or further notice of this Motion is required. A copy of the Motion is also freely available on the website of the Debtors'

proposed claim and noticing agent, Donlin, Recano & Company, Inc., at
www.donlinrecano.com.

No Prior Request

No prior application for the relief requested in this Motion has been made to this or any other Court.

WHEREFORE, the Debtors respectfully request the entry of an orders, substantially in the form of Exhibit A, granting the relief requested herein and such other and further relief as the Court deems just and proper.

Dated: January 22, 2008

Respectfully submitted,

/s/ Michael J. Canning
Michael J. Canning (MC 8060)

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*Proposed Counsel for the Debtors
and Debtors-in-Possession*

Exhibit A

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

In re

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

Debtors.

Chapter 11

Case No. 08-10152 (___)

Jointly Administered

Honorable _____

ORDER APPROVING CROSS-BORDER INSOLVENCY PROTOCOL

Upon the motion (the “Motion”) of the above-captioned Debtors (the “Debtors”) for entry of an order approving the cross-border insolvency protocol that is attached to this Order as Exhibit A (the “Protocol”); and it appearing that this Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that venue of these cases and the Motion in this district is proper pursuant to 28 U.S.C. § 1408 and 1409; and it appearing that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors and other parties in interest; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and after due deliberation thereon; and good and sufficient cause appearing therefor;

IT HEREBY IS ORDERED THAT

1. The Motion is GRANTED as set forth herein.
2. The Protocol is approved in all respects.

Dated: January __, 2008

UNITED STATES BANKRUPTCY JUDGE

Exhibit B

CROSS-BORDER INSOLVENCY PROTOCOL

This cross-border insolvency protocol (this "**Protocol**") shall govern the conduct of all parties in interest in the Insolvency Proceedings (as defined below).

The Guidelines Applicable to Court-to-Court Communications in Cross-Border cases (the "**Guidelines**"), attached as Schedule A hereto, shall be incorporated by reference and form part of this Protocol. Where there is any discrepancy between the Protocol and the Guidelines, this Protocol shall prevail.

Background

1. Quebecor World Inc. (the "**Canadian Debtor**") and certain of its direct and indirect U.S. subsidiaries (collectively, the "**U.S. Debtors**") commenced reorganization proceedings (collectively, the "**Canadian Proceedings**") by filing an application under the Canadian *Companies' Creditors Arrangement Act* (the "**CCAA**") with the Quebec Superior Court in Montreal, Quebec (the "**Canadian Court**") and an Order (the "**CCAA Order**") have been granted under which (a) the Canadian Debtor and U.S. Debtors have been determined to be entitled to relief under the CCAA, and (b) Ernst & Young Inc. was appointed as monitor (the "**Monitor**") of the Canadian Debtor and U.S. Debtors, with the rights, powers, duties and limitations upon liabilities set forth in the CCAA, and the CCAA Order.
2. The U.S. Debtors have commenced reorganization cases (collectively, the "**Chapter 11 Cases**") under chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.* (the "**Bankruptcy Code**"), in the United States Bankruptcy Court for the Southern District of New York (the "**U.S. Court**"), and such cases have been consolidated (for

procedural purposes only) under Case No. ●. The U.S. Debtors continue to operate their business and manage their properties as debtors in possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Chapter 11 Cases. An official committee of unsecured creditors (the "**Committee**") may be appointed in the Chapter 11 Cases.

3. For convenience, (i) the U.S. Debtors and the Canadian Debtor shall be referred to herein collectively as the "**Debtors**", (ii) the Chapter 11 Cases and the Canadian Proceedings shall be referred to herein collectively as the "**Insolvency Proceedings**", (iii) the U.S. Court and the Canadian Court shall be referred to herein collectively as the "**Courts**", and (iv) the U.S. Representatives and the Canadian Representatives (each as defined below) shall be referred to herein collectively as the "**Representatives**".
4. The Canadian Debtor is the direct or indirect corporate parent of all of the other Debtors. The Canadian Debtor is headquartered in Montreal, Quebec. The Canadian Debtor conducts business in Canada and the U.S. Debtors conduct business in the United States. Other subsidiaries controlled directly or indirectly by the Canadian Debtor, not parties to the Insolvency Proceedings (the "**Non-Filing Subsidiaries**"), conduct business in Canada, the United States and several other parts of the world, and have significant operations in Europe and Latin America.

Purpose and Goals

5. While the Insolvency Proceedings are pending in the United States and Canada, the implementation of basic administrative procedures is necessary to coordinate certain activities therein, to ensure the maintenance of the Courts' respective independent jurisdiction and to give effect to the doctrines of comity. Accordingly, this Protocol has

been developed to promote the following mutually desirable goals and objectives in the Insolvency Proceedings:

- (a) harmonize and coordinate activities between the Courts in the Insolvency Proceedings;
- (b) promote and facilitate the fair, open, orderly and efficient administration of the Insolvency Proceedings to, among other things, maximize the efficiency of same, reduce the costs associated therewith and avoid duplication of efforts, for the benefit of all of the Debtors' creditors and other interested parties, wherever located;
- (c) honor the respective independence and integrity of the Courts and other courts and tribunals of Canada and the United States;
- (d) promote international co-operation and respect for comity among the Courts, the Debtors, the Committee, the Representatives (as defined below) and other creditors and interested parties in the Insolvency Proceedings; and
- (e) implement a framework of general principles to address basic administrative issues arising out of the cross-border nature of the Insolvency Proceedings.

Comity and Independence of the Courts

6. The approval and implementation of this Protocol shall not divest or diminish the U.S. Court's and the Canadian Court's respective independent jurisdiction over the subject matter of the Chapter 11 Cases and Canadian Proceedings, respectively. By approving and implementing this Protocol, neither the U.S. Court, the Canadian Court, the Debtors nor any creditor of any other interested party shall be deemed to have approved or engaged in any infringement on the sovereignty of the United States or Canada.
7. The U.S. Court shall have sole and exclusive jurisdiction and power over the conduct and hearing of the Chapter 11 Cases. The Canadian Court shall have sole and exclusive

jurisdiction and power over the conduct and hearing of the Canadian Proceedings. In accordance with the principles of comity and independence recognized herein, nothing contained herein shall be construed to:

- (a) increase, decrease or otherwise modify the independence, sovereignty or jurisdiction of the U.S. Court, the Canadian Court or any other court of tribunal in the United States or Canada, including the ability of any such court or tribunal to provide appropriate relief under applicable law on an *ex parte* or "limited notice" basis;
 - (b) require the U.S. Court to take any action that is inconsistent with its obligations under the laws of the United States;
 - (c) require the Canadian Court to take any action that is inconsistent with its obligations under the laws of Canada;
 - (d) require the Debtors, the Monitor, the Committee or the Representatives to take any action or refrain from taking any action that would result in a breach of any duty imposed on them by any applicable law;
 - (e) authorize any action that requires the specific approval of one or both of the Courts under the Bankruptcy Code or the CCAA after appropriate notice and a hearing (except to the extent that such action specifically is described in this Protocol); or
 - (f) preclude the Debtors, the Committee, the Monitor, the Office of the United States Trustee (the "**U.S. Trustee**"), any creditor or any other interested party from asserting such party's substantive rights under the applicable laws of the United States, Canada or any other jurisdiction including, without limitation, the rights of interested parties or affected persons to appeal from the decisions taken by one or both of the Courts.
8. The Debtors, the Representatives and their respective employees, members, agents and professionals shall respect and comply with the independent, nondelegable duties

imposed upon them by the Bankruptcy Code, the CCAA, the CCAA Order and other applicable laws and court orders.

Cooperation

9. To assist in the efficient administration of the Insolvency Proceedings and in recognizing that any of the Debtors may be creditors of any of the others' estates, the Debtors shall, where appropriate: (i) cooperate with each other in connection with actions taken in both the U.S. Court and the Canadian Court; and (ii) take any other appropriate steps to coordinate the administration of the Insolvency Proceedings for the benefit of the Debtors' respective estates and stakeholders.

10. To harmonize and coordinate the administration of the Insolvency Proceedings, the U.S. Court and the Canadian Court each may coordinate activities and consider whether it is appropriate to defer to the judgment of the other Court. Without limitation:
 - (a) The U.S. Court and the Canadian Court may communicate with one another, with or without counsel present, with respect to any procedural matter relating to the Insolvency Proceeding.
 - (b) If the issue of the proper jurisdiction or Court to determine an issue is raised by any interested party in either of the Insolvency Proceedings with respect to a motion or application filed in either Court, the Court before which such motion or application was initially filed may contact the other Court to determine an appropriate process by which the issue of jurisdiction will be determined; which process shall be subject to submissions by the Debtors, the U.S. Trustee, the Committee, the Monitor and any interested party prior to any determination on the issue of jurisdiction being made by either Court.

- (c) The Courts may, but are not obligated to, coordinate activities in the Insolvency Proceedings such that the subject matter of any particular action, suit, request, application, contested matter or other proceeding is determined in a single Court.
- (d) The U.S. Court and Canadian Court may conduct joint hearings (each, a "**Joint Hearing**") with respect to any matter in which both Courts consider such a Joint Hearing to be necessary or advisable and, in particular, to facilitate or coordinate proper and efficient conduct of the Insolvency Proceedings. With respect to any such Joint Hearing, unless otherwise ordered by both Courts, the following procedures will be followed:
 - (i) a telephone or video link shall be established so that each Court will be able to simultaneously hear the proceedings in the other Court;
 - (ii) submissions or applications (collectively, the "**Pleadings**") by any party that are or become the subject of a Joint Hearing shall be made or filed initially only with the Court in which such party is appearing and seeking relief. Promptly after the scheduling of any Joint Hearing, the party submitting such Pleadings to one Court will file courtesy copies with the other Court. In any event, Pleadings seeking relief from both Courts shall be filed with both Courts;
 - (iii) any party intending to rely on written evidentiary materials (collectively, the "**Evidentiary Materials**") in support of a submission to either Court in connection with any Joint Hearing will submit such Evidentiary Materials in identical form to each Court;
 - (iv) if a party that has not previously appeared in or attorned to the jurisdiction of either Court, it shall be entitled to submit Pleadings or Evidentiary Materials in connection with the Joint Hearing without, by the act of such filing alone, being deemed to have appeared in or attorned to the jurisdiction of such Court, so long as such party does not request any affirmative relief from such Court;

- (v) the Judge of the U.S. Court and Justice of the Canadian Court who will hear the Joint Hearing may communicate with each other in advance of such Joint Hearing, with or without counsel being present, to: (1) establish guidelines for the orderly submission of Pleadings, Evidentiary Materials and any other papers, and for the rendering of decisions; and (2) address any related procedural, administrative or preliminary matters; and
 - (vi) the Judge of the U.S. Court and Justice of the Canadian Court who will hear the Joint Hearing may communicate with each other after such Joint Hearing, with or without counsel being present, for the purposes of: (1) determining whether consistent rulings can be made by both Courts; (2) coordinating the terms of the Courts' respective rulings; and (3) addressing any related procedural or administrative matters.
- 11. Notwithstanding the terms of paragraph 10 above, this Protocol recognizes that the U.S. Court and Canadian Court are independent courts. Accordingly, although the Courts will seek to cooperate and coordinate with each other in good faith, either of the Courts may at any time exercise its independent jurisdiction and authority with respect to: (i) matters presented to and properly before such Court; and (ii) the conduct of the parties appearing in such matters.
- 12. If one Court has jurisdiction over a matter the determination of which requires the application of the law of the jurisdiction of the other Court, such Court may, without limitation, hear expert evidence of such law or seek the written advice of the other Court, which advice will be made available to all parties in interest.

Recognition of Stays of Proceedings

- 13. The Canadian Court hereby recognizes the validity of the stay of proceedings and actions against the U.S. Debtors and their property under section 362 of the Bankruptcy Code

(the "**U.S. Stay**"). In implementing the terms of this paragraph, the Canadian Court may consult with the U.S. Court regarding: (i) the interpretation, extent, scope and applicability of the U.S. Stay and any orders of the U.S. Court modifying or granting relief from the U.S. Stay; and (ii) the enforcement of the U.S. Stay in Canada.

14. The U.S. Court hereby recognizes the validity of the stay of proceedings and actions against the Debtors and their property under the CCAA Order (the "**Canadian Stay**"). In implementing the terms of this paragraph, U.S. Court may consult with the Canadian Court regarding: (i) the interpretation, extent, scope and applicability of the Canadian Stay and any orders of the Canadian Court modifying or granting relief from the Canadian Stay; and (ii) the enforcement of the Canadian Stay in the United States. Both the U.S. Court and the Canadian Court note that CCAA Order provides that (i) the Canadian Stay, as it applies to the U.S. Debtors, is deemed to conform to the extent and scope of the U.S. Stay, and (ii) if there is any conflict between the operation of the Canadian Stay, as it applies to the U.S. Debtors, and the operation of the U.S. Stay, then the U.S. Stay shall govern.
15. Nothing contained herein shall affect or limit the Debtors' or other parties' rights to assert the applicability or nonapplicability of the U.S. Stay or the Canadian Stay to any particular proceeding, property, asset, activity or other matter, wherever pending or located. Motions brought respecting the application of the stay of proceedings with respect to assets or operations located in Canada shall be heard and determined by the Canadian Court. Motions brought respecting the application of the stay of proceedings with respect to assets or operations located in the United States shall be heard and determined by the U.S. Court.

Rights to Appear and Be Heard

16. The Debtors, their creditors, the Monitor, and other interested parties in the Insolvency Proceedings, including, without limitation, the Committee, the Representatives or any other committee that may be appointed by the U.S. Trustee, shall have the right and standing: (i) to appear and to be heard in either the U.S. Court or Canadian Court in the Chapter 11 Cases or Canadian Proceedings, respectively, to the same extent as creditors and other interested parties domiciled in the forum country, subject to any local rules or regulations generally applicable to all parties appearing in the forum; and (ii) to file notices of appearance or other papers with the clerk of the U.S. Court or the Canadian Court in respect of the Chapter 11 Cases or Canadian Proceedings, respectively; provided, however, that any appearance or filing may subject a creditor or interested party to the jurisdiction of the Court in which the appearance or filing occurs; provided further, that an appearance by the Committee in the Canadian Proceedings shall not form a basis for personal jurisdiction in Canada over the members of the Committee. Notwithstanding the foregoing, and in accordance with the policies set forth above, including, *inter alia*, paragraph 10 above: (i) the Canadian Court shall have jurisdiction over the U.S. Representatives (as defined below) solely with respect to the particular matters as to which the U.S. Representatives appear before the Canadian Court; and (ii) the U.S. Court shall have jurisdiction over the Canadian Representatives (as defined below) solely with respect to the particular matters as to which the Canadian Representatives appear before the U.S. Court.

Retention and Compensation of Representatives and Professionals

17. The Monitor Parties (as defined below) and any other estate representatives appointed in the Canadian Proceedings (collectively, the "**Canadian Representatives**") shall (subject

to paragraph 16) be subject to the sole and exclusive jurisdiction of the Canadian Court with respect to all matters including: (i) such Canadian Representatives' tenure in office; (ii) the retention and compensation of such Canadian Representatives; (iii) such Canadian Representatives' liability, if any, to any person or entity, including the Debtors and any third parties, in connection with the Insolvency Proceedings; and (iv) the hearing and determination of any other matters relating to the Canadian Representatives arising in the Canadian Proceedings under the CCAA or other applicable Canadian law. The Canadian Representatives, their counsel (whether Canadian or U.S.) and any other professionals retained therefor shall not be required to seek approval of their retention in the U.S. Court. Additionally, the Canadian Representatives, their counsel (whether Canadian or U.S.) and such other Canadian professionals: (a) shall be compensated for their services solely in accordance with the CCAA, the CCAA Order and other applicable laws of Canada or orders of the Canadian Court; and (b) shall not be required to seek approval of their compensation in the U.S. Court.

18. The Monitor and its respective officers, directors, employees, counsel and agents, wherever located (collectively, the "**Monitor Parties**"), shall be entitled to the same protections and immunities in the United States as those granted to them under the CCAA and the CCAA Order. In particular, except as otherwise provided in any subsequent order entered in the Canadian Proceedings, the Monitor Parties shall incur no liability or obligations as a result of the CCAA Order, the appointment of the Monitor, the carrying out of its duties or the provisions of the CCAA and the CCAA Order by the Monitor Parties, except any such liability arising from actions of the Monitor Parties constituting gross negligence or wilful misconduct.

19. Any estate representative appointed in the Chapter 11 Cases, including any official committee appointed pursuant to section 1102 of the Bankruptcy Code, or any examiner or trustee appointed pursuant to section 1104 of the Bankruptcy Code (collectively, "**U.S. Representatives**") shall (subject to paragraph 16) be subject to the sole and exclusive jurisdiction of the U.S. Court with respect to all matters, including: (i) such U.S. Representative's appointment and tenure in office; (ii) the compensation and reimbursement of out-of-pocket costs of such U.S. Representative; (iii) such U.S. Representative's liability, if any, to any person or entity, including the Debtors and any third parties, in connection with the Insolvency Proceedings; and (iv) the hearing and determination of any other matters relating to the U.S. Representatives arising in the Chapter 11 Cases under the Bankruptcy Code or other applicable laws of the United States. The U.S. Representatives, their counsel and any other professionals retained therefor shall not be required to seek approval of their retention in the Canadian Court. Additionally, the U.S. Representatives, their counsel and such other professionals: (i) shall be compensated for their services solely in accordance with the Bankruptcy Code and other applicable laws of the United States or orders of the U.S. Court; and (ii) shall not be required to seek approval of their compensation in the Canadian Court.
20. Any Canadian professionals retained by the Debtors, and any professionals (whether Canadian or U.S.) retained solely by the Canadian Debtor, including in each case, without limitation, counsel and financial advisors (collectively, the "**Canadian Professionals**") shall be subject to the sole and exclusive jurisdiction of the Canadian Court. Accordingly, the Canadian Professionals: (i) shall be subject to the procedures and standards for the retention and compensation applicable in the Canadian Court under the CCAA, the CCAA Order and any other applicable Canadian law or orders of the

Canadian Court; and (ii) shall not be required to seek approval of their retention or compensation in the U.S. Court.

21. Subject to paragraph 20, any U.S. professionals retained by the Debtors, including, without limitation, counsel and financial advisors (collectively, the "**U.S. Professionals**") shall be subject to the sole and exclusive jurisdiction of the U.S. Court. Accordingly, the U.S. Professionals: (i) shall be subject to the procedures and standards for retention and compensation applicable in the U.S. Court under the Bankruptcy Code and any other applicable laws of the United States or orders of the U.S. Court; and (ii) shall not be required to seek approval of their retention or compensation in the Canadian Court.

Transactions

22. Any transactions outside the ordinary course of business for the sale, lease or use of property of the Canadian Debtor shall be subject to the sole direction or approval of the Canadian Court. The Canadian Debtor may, and shall where the CCAA Order so requires, seek the direction or approval of the Canadian Court for (i) transactions outside of the ordinary course of business for the sale, lease or use of property of any Non-Filing Subsidiaries, and (ii) transactions by Non-Filing Subsidiaries relating to the restructuring of their respective businesses or financial affairs. In each such case, promptly upon the issuance of an order by the Canadian Court giving directions with respect to or approving any such transaction, a copy of such order shall be filed in the Chapter 11 Cases. Transactions outside the ordinary course of business for the sale, lease or use of property of the U.S. Debtors shall be subject to the sole direction or approval of the U.S. Court. Promptly upon the issuance of an order by the U.S. Court giving directions with respect

to or approving any such transaction, a copy of such order shall be filed in the Canadian Proceedings.

Notice

23. Notice of any motion, application or other Pleading or paper filed in one or both of the Insolvency Proceedings involving or relating to matters addressed by this Protocol and notice of any related hearings or other proceedings shall be given by appropriate means (including, where circumstances warrant, by courier, facsimile or other electronic forms of communication) to the following: (i) all creditors and other interested parties, in accordance with the practice of the jurisdiction where the papers are filed or the proceedings are to occur; and (ii) to the extent not otherwise entitled to receive notice under clause (i) of this paragraph 23, counsel to the Debtors, the U.S. Trustee, the Committee, the Monitor and such other parties as may be designated by either of the Courts from time to time. When any paper is filed by either the U.S. Debtors or the Canadian Debtor in the Chapter 11 Cases or the Canadian Proceedings, respectively, that has cross-border effect, the U.S. Debtors or Canadian Debtor, as applicable, shall serve such papers promptly on counsel for the other U.S. Debtors and Canadian Debtor, the U.S. Trustee, the Monitor, and such other parties as may be designated by either of the Courts from time to time. Notice in accordance with this paragraph shall be given by the party otherwise responsible for effecting notice in the jurisdiction where the underlying papers are filed or the proceedings are to occur. In addition to the foregoing, upon request, the U.S. Debtors or the Canadian Debtor shall provide the U.S. Court or the Canadian Court, as the case may be, with copies of all or any orders, decisions, opinions or similar papers issued by the other Court in the Insolvency Proceedings.

24. When any cross-border issues or matters addressed by this Protocol are to be addressed before a Court, notice shall be provided in the manner and to the parties referred to in paragraph 23 above.

Effectiveness; Modification

25. This Protocol shall become effective only upon its approval by both the U.S. Court and the Canadian Court.
26. This Protocol may not be supplemented, modified, terminated or replaced in any manner except upon the approval of both the U.S. Court and the Canadian Court after notice and a hearing. Notice of any legal proceeding to supplement, modify, terminate or replace this Protocol shall be given in accordance with paragraph 23 above.

Procedure for Resolving Disputes under the Protocol

27. Disputes relating to the terms, intent or application of this Protocol may be addressed by interested parties to either the U.S. Court, the Canadian Court or both Courts upon notice in accordance with paragraph 23 above. In rendering a determination in any such dispute, the Court to which the issue is addressed: (i) shall consult with the other Court; and (ii) may, in its sole and exclusive discretion, either: (a) render a binding decision after such consultation; (b) defer to the determination of the other Court by transferring the matter, in whole or in part, to such other Court; or (c) seek a Joint Hearing of both Courts in accordance with paragraph 10 above. Notwithstanding the foregoing, in making a determination under this paragraph, each Court shall give due consideration to the independence, comity and inherent jurisdiction of the other Court established under existing law.

28. In implementing the terms of the Protocol, the U.S. Court and the Canadian Court may, in their sole, respective discretion, provide advice or guidance to each other with respect to legal issues in accordance with the following procedures:
- (a) the U.S. Court or the Canadian Court, as applicable, may determine that such advice or guidance is appropriate under the circumstances;
 - (b) the Court issuing such advice or guidance shall provide it to the other Court in writing;
 - (c) copies of such written advice or guidance shall be served by the applicable Court in accordance with paragraph 23 above;
 - (d) the Courts may jointly decide to invite the Debtors, the Committee, the Representatives, the U.S. Trustee, the Monitor and any other affected or interested party to make submissions to the appropriate Court in response to or in connection with any written advice or guidance received from the other Court; and
 - (e) for clarity, the provisions of this paragraph 28 shall not be construed to restrict the ability of either the U.S. Court or Canadian Court to confer as provided in paragraph 10 above whenever it deems it appropriate to do so.

Preservation of Rights

29. Except as specifically provided herein, neither the terms of this Protocol nor any actions taken under this Protocol shall: (i) prejudice or affect the powers, rights, claims and defenses of the Debtors and their respective estates, the Committees, the Representatives, the U.S. Trustee, the Monitor or any of the Debtors' creditors under applicable law, including, without limitation, the Bankruptcy Code, the CCAA and the orders of the Courts; or (ii) preclude or prejudice the rights of any person to assert or pursue such

person's substantive rights against any other person under the applicable laws of Canada or the United States.