

**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

**ORDER PURSUANT TO SECTIONS 105 AND 331 OF THE BANKRUPTCY CODE,
BANKRUPTCY RULE 2016(a) AND LOCAL BANKRUPTCY RULE 2016-1 FOR AN
ORDER ESTABLISHING PROCEDURES GOVERNING INTERIM
MONTHLY COMPENSATION OF PROFESSIONALS**

This matter coming before the Court on the motion (the “Motion”)¹ of the debtors and debtors in possession (collectively, the “Debtors”), pursuant to sections 105(a) and 331 of the Bankruptcy Code, Bankruptcy Rule 2016(a) and Local Bankruptcy Rule 2016-1, for an Order Establishing Procedures for Interim Monthly Compensation of Professionals, and the Court having reviewed the Declaration of Jeremy Roberts in support of Chapter 11 Petitions and First Day Orders (the “Declaration”) and having considered the statements of counsel and the evidence adduced with respect to the Motion; and the Court having found that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (b) this is a core proceeding pursuant to 28 U.S.C. § 157(b), (c) notice of the Motion and the hearing was sufficient under the circumstances and (d) in light of the circumstances, the requirements of Local Bankruptcy Rule 9013-1(b) that a separate memorandum of law be filed in support of the Motion is waived; and

¹ Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Motion.

the Court having determined that the legal and factual bases set forth in the Motion and the Declaration establish just cause for the relief granted herein;

IT IS HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.

2. Except as may otherwise be provided in orders of the Court authorizing the retention of specific professionals, all Retained Professionals in these cases may seek monthly compensation in accordance with the following procedure:

- (a) On or before the last day of each month following the month for which compensation is sought, each Retained Professional seeking compensation pursuant to this Order shall serve a monthly statement (a “Monthly Statement”), by hand or overnight delivery, on the following parties (collectively, the “Notice Parties”): (i) the Debtors, 299 State Street, North Haven Connecticut 06473 (Attn. Laura Norden, Assistant General Counsel); (ii) counsel to the Debtors, Arnold & Porter LLP, at 399 Park Avenue, New York, New York 10022 (Attn: Michael Canning) and at 555 Twelfth Street, N.W., Washington, D.C. 20004 (Attn: Joel Gross); (iii) Shearman & Sterling LLP, counsel to the Administrative Agent, 599 Lexington Avenue, New York, New York 10022, Attn: Douglas P. Bartner, Esq.; (iv) counsel to the Official Committee of Unsecured Creditors, Akin Gump Strauss Hauer & Feld LLP, 590 Madison Avenue, New York, New York 10022 (Attn: Ira S. Dizengoff); and (v) the U.S. Trustee, 33 Whitehall St., Suite 2100, New York, New York 10044.
- (b) The Monthly Statement need not be filed with the Court and a courtesy copy need not be delivered to chambers since this Order is not intended to alter the fee application requirements outlined in sections 330 and 331 of the Bankruptcy Code and since Retained Professionals are still required to serve and file interim and final applications for approval of fees and expenses in accordance with the relevant provisions of the Bankruptcy Code, the Bankruptcy Rules and the Local Bankruptcy Rules;
- (c) Each Monthly Statement must contain a list of the individuals and their respective titles (e.g., attorney, accountant or legal assistant) who provided services during the statement period, their respective billing rates, the aggregate hours spent by each individual, a reasonably detailed breakdown of the disbursements incurred and contemporaneously maintained time entries for each individual in increments of tenths of an hour;

- (d) Each Notice Party will have at least 15 days after its receipt of a Monthly Statement to review it and, if the Notice Party has an objection to the compensation or reimbursement sought in a particular Monthly Statement, the Notice Party shall, by no later than the 45th day following the month for which compensation is sought, serve upon the Retained Professional whose Monthly Statement is objected to, and the other Notice Parties, a written “Notice of Objection to Fee Statement,” setting forth the nature of the objection and the amount of fees or expenses at issue;
- (e) At the expiration of the 45-day period, the Debtors may promptly pay eighty percent (80%) of the fees and one hundred percent (100%) of the expenses identified in each Monthly Statement to which no objection has been served in accordance with paragraph (d) hereof;
- (f) If the Debtors receive an objection to a particular Monthly Statement, they shall withhold payment of that portion of the Monthly Statement to which the objection is directed and promptly pay the remainder of the fees and disbursements in the percentages set forth in paragraph (e) hereof;
- (g) Similarly, if the objecting parties and the Retained Professional are able to resolve their dispute following the service of a Notice of Objection to Fee Statement and if the party whose Monthly Statement was objected to serves on all of the Notice Parties a statement indicating that the objection is withdrawn and describing in detail the terms of the resolution, then the Debtors shall promptly pay, in accordance with paragraph (e) hereof, that portion of the Monthly Statement that is no longer subject to an objection;
- (h) All objections that are not resolved by the parties shall be preserved and scheduled for hearing before the Court at the next interim or final fee application hearing to be heard by the Court in accordance with paragraph (j) hereof;
- (i) The service of an objection in accordance with paragraph (d) hereof shall not prejudice the objecting party’s right to object to any fee application made to the Court in accordance with the Bankruptcy Code on any ground, whether raised in the objection or not. Furthermore, the decision by any party not to object to a Monthly Statement shall not be a waiver of any kind or prejudice that party’s right to object to any fee application subsequently made to the Court in accordance with the Bankruptcy Code;
- (j) Unless otherwise ordered, approximately every 120 days (but not less frequently than every 150 days), each Retained Professional shall serve and file with the Court, in accordance with General Order M-242, as amended by General Order M-269 (both of which can be found at www.nysb.uscourts.gov) and pursuant to sections 330 and 331 of the Bankruptcy Code, an application for interim or final (as the case may be) Court approval and allowance of the compensation and reimbursement of

expenses and the Debtors shall schedule a hearing at which all such applications will be heard;

- (k) Any Retained Professional who fails to file an application seeking approval of compensation and expenses previously paid under this Order when due (i) shall be ineligible to receive further monthly payments of fees or reimbursement of expenses as provided herein until further order of the Court and (ii) upon Court order after notice and a hearing, may be required to disgorge any fees paid since retention or the last fee application, whichever is later;
- (l) The pendency of an application or a Court order that payment of compensation or reimbursement of expenses was improper as to a particular Monthly Statement shall not disqualify a Retained Professional from the future payment of compensation or reimbursement of expenses as set forth above, unless otherwise ordered by the Court;
- (m) Neither the payment of, nor the failure to pay, in whole or in part, monthly compensation and reimbursement as provided herein shall have any effect on this Court's interim or final allowance of compensation and reimbursement of expenses of any Retained Professional; and
- (n) The attorney for any statutory committee may, in accordance with the foregoing procedure for monthly compensation and reimbursement of Retained Professionals, collect and submit statements of expenses, with supporting vouchers, from members of the committee he or she represents; provided, however, that such committee counsel ensures that these reimbursement requests comply with this Court's Administrative Orders dated June 24, 1991 and April 21, 1995.

3. The initial monthly statements of all Professionals seeking interim compensation and reimbursement of expenses shall be served on or before March 31, 2008, for the period from the Petition Date through February 29, 2008, unless otherwise ordered by the Court.

4. The Debtors shall include all payments to professionals on their monthly operating reports, detailed so as to state the amount paid to each of the professionals.

5. Any party may object to requests for payments made pursuant to this Order, or move to vacate this Order, including on the grounds that (a) the Debtors have not timely filed monthly operating reports or (b) the Debtors have not remained current with their administrative

expenses and 28 U.S.C. § 1930 fees; otherwise, this Order shall continue and shall remain in effect during the pendency of these cases, unless otherwise ordered by the Court.

6. All time periods set forth in this Order shall be calculated in accordance with Rule 9006 of the Bankruptcy Rules.

Dated: New York, New York
February 13, 2008

s/ James M. Peck
UNITED STATES BANKRUPTCY JUDGE