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

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In re: : Chapter 11
: :
QUEBECOR WORLD (USA), INC., *et al.*, : Case No. 08-10152-JMP
: Jointly Administered
: Debtor.
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**OBJECTION TO DEBTORS' MOTION FOR AN ORDER TO AUTHORIZE THE
ESTABLISHMENT AND IMPLEMENTATION OF EXCLUSIVE, GLOBAL
PROCEDURES FOR TREATMENT OF RECLAMATION CLAIMS**

Rock-Tenn Company ("Rock-Tenn"), by and through its attorneys, hereby files this Objection (the "Objection") to the Motion for an Order to Authorize the Establishment and Implementation of Exclusive Global Procedures for Treatment of Reclamation Claims (the "Reclamation Procedures Motion") filed by Quebecor World (USA), Inc., *et al.* ("Debtors") in the above captioned Chapter 11 cases (the "Chapter 11 cases"), and respectfully states as follows:

Background

1. On February 4, 2008, pursuant to § 546(c) of Title 11 of the United States Code (the "Bankruptcy Code"), Rock-Tenn submitted a reclamation demand to the Debtors (the "Reclamation Demand") demanding reclamation of all recycled paperboard received by the Debtors from Rock-

Tenn within forty-five (45) days prior to the date of the commencement of the Chapter 11 cases (the “Reclamation Period”).

2. The Reclamation Demand demanded reclamation of (a) recycled paperboard sold by Rock-Tenn to the Debtors during the Reclamation Period with an aggregate purchase price of \$387,380.65.

The Reclamation Procedures Motion

3. The Debtors filed the Reclamation Procedures Motion on January 22, 2008 requesting that this Court enter an order establishing and implementing exclusive procedures for the reconciliation and “treatment” of all reclamation claims asserted against the Debtors (the “Reclamation Procedures”).

4. In the Reclamation Procedures Motion, the Debtors seek, among other relief, (a) at least 120 days from the petition date (the “Review Period”) to review and determine the validity of reclamation demands, (b) during the Review Period, a prohibition against any reclaiming seller making any motion for relief with respect to goods subject to reclamation demands, and (c) a prohibitions – apparently forever – against any seller from filing an adversary proceeding with respect to goods subject to reclamation demands.

5. Significantly, there is nothing in the Reclamation Procedure Motion which (a) prohibits the Debtors from using or selling any goods subject to reclamation demand during or after the Review Period (b) requires the Debtors to do anything during or after the Review Period, including, without limitation, file a Reclamation Notice (as defined in the Reclamation Procedures Motion) or (c) addresses the treatment of what the Debtors refer to as “Reclamation Claims”, other than state that the treatment of such claims shall be reserved.

6. Under the current version of the Bankruptcy Code, reclaiming sellers who comply with Section 546(c) of the Bankruptcy Code have an absolute right to reclaim their goods where there is no prior security interest covering such goods. However, if the Reclamation Procedures Motion is granted, the Debtors – by using and/or selling such goods during the Review Period while at the same time prohibiting reclaiming sellers from taking any actions to protect their interests – will effectively negate a seller’s rights to reclaim such goods.

7. Accordingly, the Reclamation Procedures Motion should be denied because the proposed Reclamation Procedures: (a) permit the Debtors to nullify Rock-Tenn’s statutory right to reclaim the recycled paperboard referenced in the Reclamation Demand; (b) prevent reclaiming sellers from taking any action to protect their rights with respect to reclamation; and (c) neglect to indicate what the treatment will be for “Reclamation Claims” or to provide any protection for the rights of reclaiming sellers.

Objection

8. Rock-Tenn objects to the Debtors’ proposed Reclamation Procedures because, among other things, they permit the Debtors to eliminate Rock-Tenn’s statutory right to reclaim any recycled paperboard it sold to the Debtors within the Reclamation Period.

9. In 2005, as part of the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005, Section 546(c) of the Bankruptcy Code was amended. Prior to the amendment, Section 546(c) of the Bankruptcy Code permitted a bankruptcy court to deny a seller (who complied with the provisions of the statute) the right to reclaim goods by instead granting the seller a replacement lien or an administrative expense claim for the value of the goods. The 2005 amendments to Section 546(c) of the Bankruptcy Code eliminated the ability of a court to deny such a seller the right to reclaim such goods.

10. Pursuant to the current version of Section 546(c) of the Bankruptcy Code, a seller which complies with the provisions of the statute has an absolute right to reclaim goods received by a debtor within the forty-five days prior to the petition date provided that the debtor was insolvent at the time it received such goods. Indeed, absent an agreement among the parties, Congress has made it clear, by eliminating the alternative remedies of replacement liens and administrative expense claims, that the Debtors are required under the current version of Section 546(c) of the Bankruptcy Code to grant reclaiming sellers specific performance (i.e., a return of the specific goods in question).

11. Thus, so long as Rock-Tenn has satisfied the requirements of Section 546(c) of the Bankruptcy Code, Rock-Tenn has an absolute right to reclaim the recycled paperboard it sold to the Debtors which was received during the Reclamation Period.

12. The proposed Reclamation Procedures would completely nullify Rock-Tenn's right to reclaim by (a) providing the Debtors with an unfettered opportunity during the Review Period to consume and/or sell such recycled paperboard, and (b) preventing Rock-Tenn from taking any actions whatsoever to preserve its right to reclaim during the Review Period. Once the recycled paperboard is consumed and/or sold, there will not be any possibility for Rock-Tenn to reclaim physical possession of the recycled paperboard.

13. In addition, to the extent the goods are not used or sold by the Debtors during the Review Period, the proposed Reclamation Procedures make no provision for the return of such goods even after the expiration of the Review Period.

14. Based on the above, the proposed Reclamation Procedures, in essence, take away the reclamation rights of sellers and leave such sellers with no remedy or recourse for the eradication of such rights.

15. Here, Rock-Tenn has timely filed and served its Reclamation Demand and has otherwise complied with the provisions of Section 546(c) of the Bankruptcy Code. Further, upon information and belief, with respect to the recycled paperboard which was the subject of the Reclamation Demand, the Debtors were insolvent at the time they received such recycled paperboard and an insignificant portion of such recycled paperboard, if any, may be part of the Debtor's pre-petition Lender's collateral. As such, Rock-Tenn has an absolute right to reclaim such recycled paperboard.

16. At a very minimum, to allow the Debtors time to evaluate the reclamation demands, the Debtors should be required during such time to either: (a) segregate and hold in trust all goods subject to reclamation demands and provide adequate protection to the holders of such reclamation demands against the diminution of the value of such goods while in the Debtors' possession; or (b) provide for treatment of "Reclamation Claims" that are determined to be valid in the form of payment in full of the purchase price of the goods.

17. For the reasons set forth above, the Reclamation Procedures proposed by the Debtors impermissibly provide substantial benefits to the Debtors, impose absolutely no obligations on the Debtors, and completely eliminate the absolute right of sellers to reclaim their goods without providing any protection, recourse or remedy to such reclaiming sellers.

WHEREFORE, Rock-Tenn respectfully requests (a) that the Debtors' Motion for an Order Authorizing the Establishment and Implementation of Exclusive, Global Procedures for Treatment of Reclamation Claims be denied and (b) grant such other and further relief as the Court deems just and appropriate.

Dated: New York, New York
February 19, 2008

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