

**Hearing Date: April 17, 2008 at 10:00 a.m.**  
**Objection Deadline: April 15, 2008 at 4:00 p.m.**

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**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

**APPLICATION OF THE DEBTORS TO EMPLOY ERNST & YOUNG LLP *NUNC PRO  
TUNC* TO APRIL 7, 2008 AS A TAX SERVICES PROVIDER FOR THE DEBTORS  
PURSUANT TO SECTIONS 327(a) AND 328(a) OF THE BANKRUPTCY CODE**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) apply to this Court (the “Application”) for the entry of an order substantially in the form of Exhibit A hereto, authorizing the employment of Ernst & Young LLP (“E&Y LLP”) to provide the professional services described herein. In support of this Application, the Debtors rely on the Affidavit of Lawrence M. Garrett submitted herewith. In further support of the Application, the Debtors state as follows:

## **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 327 and 328 of title 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101-1330 (the “Bankruptcy Code”), and Rule 2014 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 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 been made for the appointment of a trustee or examiner in these cases.

6. On January 31, 2008, an Official Committee of Unsecured Creditors (the “Creditors’ Committee”) was appointed.

7. 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, 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”).<sup>1</sup> 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.

### **The Debtors’ Business**

8. 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”).

9. 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.,<sup>2</sup> 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

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<sup>1</sup> The Canadian Court appointed Ernst & Young, Inc. to serve as Monitor for the Canadian Proceeding, and UBS Investment Bank is serving as QWI’s financial advisor.

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

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**

10. Subject to the approval of this Court, the Debtors seek to employ E&Y LLP to provide the tax services described below (collectively, the “Tax Services”) to the Debtors in these Chapter 11 Cases. Accordingly, the Debtors respectfully request the entry of an order pursuant to section 327(a) of the Bankruptcy Code authorizing them to employ and retain E&Y LLP to provide the Tax Services in connection with these Chapter 11 Cases.

11. E&Y LLP may, in its discretion, choose to begin performing the Tax Services after the filing of, but before a hearing on, this Application. Accordingly, to the extent that E&Y LLP elects to perform any of the Tax Services prior to the entry of an order granting this Application, the Debtors request that the order granting this Application be effective *nunc pro tunc* to April 7, 2008, the date that this Application was filed.

12. The Debtors have selected E&Y LLP because of the firm’s extensive experience providing tax consultation to businesses pursuing reorganization under chapter 11 of the Bankruptcy Code. The Debtors believe that E&Y LLP is both well qualified and uniquely able to provide services in a most efficient and timely manner.

### **Scope of Services to be Provided by E&Y LLP**

13. The terms of E&Y LLP’s engagement with the Debtors are set forth in a Master Tax Services Agreement dated March 31, 2008 (the “MTSA”), the Statement of Work #1 – Tax Consultation Re Chapter 11 Filing dated March 31, 2008 (“SOW 1”), the Statement of Work #2 – Tax Consultation Re Chapter 11 Filing Restructuring Assistance dated March 31, 2008 (“SOW

2”), and the Statement of Work – U.S. Loan Staff dated April 1, 2008 (“SOW 3”), each between the Debtors and E&Y LLP (collectively, the “Engagement Letter”). Each of SOW 1, SOW 2, and SOW 3 are governed by and subject to the terms and conditions of the MTSA. A copy of the Engagement Letter is attached to the Affidavit of Lawrence M. Garrett in Support of the Application (the “Garrett Affidavit”) as Exhibit A thereto, and the Garrett Affidavit is annexed hereto as Exhibit B.

14. As set forth in further detail in the Engagement Letter, E&Y LLP has agreed to provide the Tax Services in connection with these Chapter 11 Cases, subject to the Court’s approval of the Application and the terms and conditions of the Engagement Letter. Subject to the detailed description in the Engagement Letter, a summary description of the Tax Services is set forth below:

**Tax Services Under SOW 1 (the “Bankruptcy Tax Services”):**

- Understanding reorganization and/or restructuring alternatives the Debtors are evaluating;
- Assisting and advising the Debtors in developing an understanding of the tax implications of their bankruptcy restructuring alternatives and post-bankruptcy operations;
- Assistance with tax issues arising in the ordinary course of business while in bankruptcy;
- Tax advisory services regarding tax aspects of the bankruptcy process;
- Analysis of legal and other professional fees incurred during the bankruptcy period;
- Documentation, as appropriate or necessary, of tax analysis, opinions, recommendations, conclusions and correspondence;

- Advisory services regarding tax analysis and research related to acquisitions and divestitures;
- Advisory services regarding tax analysis and research related to tax-efficient domestic restructurings; and
- Tax forecast model.

**Tax Services Under SOW 2 (the “Entity Structure Services”):**

- Working with the Debtors’ personnel in developing an efficient U.S. entity structure, taking into account the Debtors’ desire for entity rationalization, tax efficiency, and impact on the Debtors’ indirect tax obligations.

**Tax Services Under SOW 3 (the “Loan Staff Services”):**

- Assigning staff to support the activities of the Debtors’ employees in completing ministerial and administrative tasks relating to the preparation of the Debtors’ quarterly and/or annual income taxes, the Debtors’ U.S. restructuring, and Internal Revenue Service and state and local income tax authority audits.

15. The services of E&Y LLP are necessary to enable the Debtors to execute their duties as debtors and debtors in possession by ensuring that the restructuring of their operations in the context of these Chapter 11 Cases includes consideration of relevant tax issues. The employment of E&Y LLP is necessary, essential and in the best interests of the administration of these Chapter 11 Cases, and should be approved. E&Y LLP is well qualified to perform the services, as described above, and the Debtors know of no reason why E&Y LLP should not be retained.

**The Terms of E&Y LLP’s Engagement**

16. The terms of E&Y LLP’s engagement with the Debtors are set forth in the Engagement Letter and are summarized below.

## **Compensation**

17. Except as otherwise set forth in the Engagement Letter, as compensation for services provided to the Debtors, E&Y LLP shall be entitled to receive compensation from the Debtors' bankruptcy estates for the Tax Services on an hourly basis as follows (in U.S. dollars):

### **Bankruptcy Tax Services and Entity Structure Services**

<b><u>Title</u></b>	<b><u>Rate Per Hour</u></b>
Executive Director/Principal/Partner	\$750
Senior Manager	\$650
Manager	\$550
Senior	\$420
Staff	\$200 - \$300

### **Loan Staff Services**

<b><u>Title</u></b>	<b><u>Rate Per Hour</u></b>
Manager	\$250
Senior	\$150
Staff	\$120

18. In addition to the hourly rates set forth above, the Debtors have agreed to reimburse E&Y LLP for any direct expenses incurred in connection with E&Y LLP's retention in these Chapter 11 Cases and the performance of the Tax Services set forth in the Engagement Letter. E&Y LLP's direct expenses shall include, but shall not be limited to, reasonable and customary out-of-pocket expenses for items such as travel, meals, accommodations and other expenses (including any fees or reasonable expenses of E&Y LLP's legal counsel) specifically related to this engagement.

19. As described in below, pursuant to the Engagement Letter, E&Y LLP may subcontract certain work in connection with the Tax Services, in particular to Ernst & Young LLP, an Ontario Limited Liability Partnership (“E&Y (Canada)”). As stated in the Engagement Letter, E&Y (Canada)’s hourly rates for services provided by its personnel are as follows:

**Bankruptcy Tax Services and Entity Structure Services  
(Canadian Dollars)**

<b>Title</b>	<b>Rate Per Hour</b>
Partner	\$600
Executive Director	\$550
Senior Manager	\$475
Manager	\$375
Senior Tax Staff	\$300
Tax Staff	\$200-\$275

**Loan Staff Services (U.S. Dollars)**

<b>Title</b>	<b>Rate Per Hour</b>
Manager	\$250
Senior	\$150
Staff	\$120

20. E&Y LLP also anticipates subcontracting certain work regarding the calculation of tax attributes to Ernst & Young (India) Private Limited (“EYPL”). E&Y LLP will seek reimbursement of fees and expenses incurred by E&Y (Canada) and EYPL under any such subcontracting engagement.

21. The Debtors, subject to the provisions of the Bankruptcy Code, the Bankruptcy Rules, the United States Trustee’s Guidelines for Reviewing Applications for Compensation of Expenses Filed Under 11 U.S.C. § 330, and the Local Rules and Orders of this Court, including

the Court's Order establishing procedures for monthly compensation and reimbursement of expenses, proposes to pay E&Y LLP its hourly rates for services rendered that are in effect from time to time, as set forth herein and in the Garrett Affidavit, and to reimburse E&Y LLP according to its reimbursement policies, including on account of fees and expenses incurred by E&Y (Canada) and EYPL pursuant to any subcontracting engagement, and submits that such rates are reasonable.

22. As of the Petition Date, E&Y LLP had no prepetition fees outstanding for any services, including, without limitation, for audit, tax and consulting services provided to the Debtors.

23. E&Y LLP intends to apply to the Court for allowance of compensation and reimbursement of expenses in accordance with the applicable provisions of the Bankruptcy Code, Bankruptcy Rules, the United States Trustee's Guidelines for Reviewing Applications for Compensation of Expenses Filed Under 11 U.S.C. § 330 and the Local Rules and Orders of this Court, including the Court's Order establishing procedures for monthly compensation and reimbursement of expenses.

24. E&Y LLP may, in its discretion, choose to begin performing the Tax Services after the filing of the Application and before a hearing on the Application. To the extent that E&Y LLP so elects to perform any of the Tax Services prior to the entry of an order granting this Application, the Debtors request that, to the extent applicable, approval of E&Y LLP's retention be effective *nunc pro tunc* to April 7, 2008, the date that the Application was filed.

#### **Subcontracting by E&Y LLP**

25. Pursuant to the Engagement Letter, E&Y LLP may subcontract with EYGL (defined below) foreign member firms to assist with the provision of certain Tax Services. In

this regard, E&Y LLP anticipates subcontracting with (i) EYPL for assistance with calculations relating to the determination of and availability of certain tax attributes and (ii) E&Y (Canada) for assistance with the Tax Services. In any event, however, E&Y LLP will remain solely responsible for the services and will be the only party to receive payment from the Debtors.

Specifically, the Engagement Letter specifically provides:

E&Y may subcontract a portion of its responsibilities under this agreement without Company's prior written approval to any affiliate of E&Y, any other member of the global E&Y network or any of their respective affiliates (collectively, the "E&Y Entities," and any of them, an "E&Y Entity"); provided however that E&Y shall be solely responsible for the performance of the Services and all of the other liabilities and obligations of E&Y under this Agreement, including any SOW, whether or not performed, in whole or part, by E&Y, any other E&Y Entity, or any subcontractor or personnel of any E&Y Entity. Client and its affiliates or other persons or entities for or in respect of which any of the Services are provided shall have no recourse, and shall bring no claim, against any E&Y Entity other than E&Y, or against any subcontractors, members, shareholders, directors, officers, managers, partners or employees of E&Y or any other E&Y Entity, or any of the assets of any thereof, in connection with the performance of the Services or otherwise under the Agreement or any SOW.

26. Once again, EYPL and E&Y (Canada) will assist E&Y LLP in the provision of the Tax Services under the Engagement Letter as specified above, an arrangement that is beneficial to the Debtors' estates for the following reasons: (a) personnel of EYPL have received special training on the specific calculation services they will be providing, which makes the assistance of EYPL particularly useful and efficient; (b) E&Y (Canada)'s familiarity with QWI, and proximity to QWI, will be beneficial in assisting with coordinating and managing services; (c) through an integrated approach to the provision of professional services, E&Y LLP, EYPL and E&Y (Canada) will be able to efficiently provide a cohesive network of quality services to the Debtors; and (d) having E&Y LLP act as the clearinghouse for invoices submitted by EYPL

and E&Y (Canada) will be more convenient to the Debtors by allowing billing to be centralized through a single invoice that settles budgeting and foreign currency issues.

27. There will be no mark-up on the fees of the EYPL or E&Y (Canada) in this process. The subcontracting arrangement is far more beneficial to the Debtors' estates and conservative of their resources than would be the case if EYPL or E&Y (Canada) was required to seek separate retention by the Debtors. Furthermore, as set forth above, E&Y LLP shall remain fully and solely responsible for all of its liabilities and obligations under the Engagement Letter. Pursuant to the subcontracting arrangement, E&Y LLP intends to pay EYPL and E&Y (Canada) directly for their services, and to apply to this Court for reimbursement by the Debtors of any such payments made by E&Y LLP to EYPL and E&Y (Canada).

**Other Terms of the Engagement Letter**

28. The Debtors or E&Y LLP may terminate the Engagement Letter at any time, but in any event the Engagement Letter will terminate upon the effective date of the Debtors' confirmed plan of reorganization, or liquidation of the Debtors' assets under chapter 11 or 7, or otherwise. Notwithstanding any such termination, the provisions of the Engagement Letter set forth in the sections entitled "Fees and Expenses" and "Other Matters", including, but not limited to the alternative dispute provision in the Engagement Letter, will remain operative and in full force and effect regardless of any termination or expiration of the Engagement Letter, and shall survive completion of the Debtors' bankruptcy proceedings, whether through a confirmed plan of reorganization, liquidation of the Debtors' assets under chapter 11 or 7, or otherwise. Upon any such termination of the Engagement Letter, the Debtors shall remain obligated to pay all fees and expenses accrued thereunder as of the effective date of such termination.

29. A copy of the Engagement Letter is submitted with the Garrett Affidavit.<sup>3</sup> E&Y LLP's provision of Tax Services to the Debtors is contingent upon the Court's approval of each term and condition set forth in the Engagement Letter. Included among the terms and conditions set forth in the Engagement Letter is language substantially similar to the following:

Any controversy or claim with respect to, in connection with, arising out of, or in any way related to this Agreement or the services provided hereunder (including any such matter involving any parent, subsidiary, affiliate, successor in interest or agent of the Company or its subsidiaries or of E&Y)<sup>4</sup> shall be brought in the Bankruptcy Court or the applicable district court if such district court withdraws the reference and the parties to this Agreement, and any and all successors and assigns thereof, consent to the jurisdiction and venue of such court as the sole exclusive forum (unless such court does not have jurisdiction and venue of such claims or controversies) for the resolution of such claims, causes of action or lawsuits. The parties to this Agreement, and any and all successors and assigns thereof, hereby waive trial by jury, such waiver being informed and freely made. If the Bankruptcy Court or the district court upon withdrawal of the reference does not have or retain jurisdiction over the foregoing claims or controversies, the parties to this Agreement and any and all successors and assigns thereof, agree to submit first to nonbinding mediation; and, if mediation is not successful, then to binding arbitration, in accordance with the dispute resolution procedures set forth in Exhibit B to this Agreement. Judgment on any arbitration award may be entered in any court having proper jurisdiction. The foregoing is binding upon the Company, E&Y and any all successors and assigns thereof.

30. In addition, included among the terms and conditions set forth in the Engagement Letter is limitation of liability language substantially similar to the following:

Neither party will be liable to the other (or to any affiliate thereof or any other person or entity for or in respect of which any of the Services are provided), for any consequential, incidental, indirect, punitive or special damages (including loss of profits, data, business or goodwill)

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<sup>3</sup> To the extent that this Application, the Garrett Affidavit and the terms of the Engagement Letter are inconsistent, the terms of the Engagement Letter shall control.

<sup>4</sup> In the Engagement Letter, "E&Y" means E&Y LLP (as defined herein). Therefore, the term "E&Y" as used in quoted extracts of the Engagement Letter means E&Y LLP.

in connection with the performance of the Services or otherwise under this Agreement, regardless of whether such liability is based on breach of contract, tort, strict liability, breach of warranty, failure of essential purpose or otherwise, and even if the first party is advised of the likelihood of such damages.

To the fullest extent permitted by applicable law (including, without limitation, for these purposes, the rules and interpretations of the AICPA and the U.S. Securities and Exchange Commission), and except in the case of E&Y's gross negligence or willful misconduct, the total aggregate liability of E&Y to Client (and to any affiliate thereof or any other person or entity for or in respect of which any of the Services are provided) in connection with the performance of the Services shall be limited to the fees actually paid to E&Y in respect of the Services directly relating to and forming the basis of Client's claim, regardless of whether such liability is based on breach of contract, tort, strict liability, breach of warranty, failure of essential purpose or otherwise.

**E&Y LLP is a Disinterested Party**

31. To the best of the Debtors' knowledge, the partners, principals and employees of E&Y LLP who will work on the engagement do not have any connection with the Debtors, their creditors or any other party-in-interest, or its respective attorneys, except as set forth in the annexed Garrett Affidavit.<sup>5</sup> Arnold & Porter LLP, bankruptcy counsel for the Debtors, along with E&Y LLP, have previously provided services to mutual clients in matters unrelated to these Chapter 11 Cases. In addition, E&Y LLP has provided and may in the future provide services to Arnold & Porter LLP, in matters unrelated to these Chapter 11 Cases.

32. As the facts set forth in the Garrett Affidavit evidence, E&Y LLP is a "disinterested person," as such term is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code. As noted above, as of the Petition Date E&Y LLP had no prepetition fees outstanding for any services, including, without limitation, for

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<sup>5</sup> In this regard, the Debtors note that the spouse of Ms. Louise Desjardins, who is QWI's Vice President, Taxation is an audit partner at E&Y (Canada)'s Montreal office. Ms. Desjardins' spouse is not connected in any way with engagements between E&Y (Canada) and QWI or the Debtors.

tax, audit and consulting services provided to the Debtors. The Garrett Affidavit, executed in accordance with section 327 of the Bankruptcy Code and Rule 2014 of the Bankruptcy Rules, is filed contemporaneously herewith and incorporated herein by reference. The Debtors' information and belief set forth in this Application is based upon the Garrett Affidavit.

33. As also described in the Garrett Affidavit, E&Y LLP does not hold any interest adverse to the Debtors in the matters upon which E&Y LLP is to be engaged herein.

**Relationship with Other Ernst & Young Entities**

34. The Ernst & Young global network encompasses independent professional services practices conducted by separate legal entities throughout the world. Such legal entities are members of Ernst & Young Global Limited ("EYGL"), a company incorporated under the laws of England and Wales and limited by guarantee, with no shareholders and no capital. The member firms of EYGL have agreed to operate certain of their professional practices in accordance with agreed standards, but remain separate legal entities. E&Y LLP and E&Y (Canada) are members of EYGL.

35. E&Y LLP, a Delaware limited liability partnership, and E&Y (Canada) are separate legal entities. While they have, through various agreements, a close operational relationship, that, *inter alia*, provides for certain shared costs and services and mutual financial support, the two firms do not share their profits or their fees on professional engagements, other than subcontracting agreements.

36. On or about February 7, 2008, QWI retained E&Y (Canada) to determine the scope and extent of U.S. bankruptcy tax work that would be required by the Debtors in these chapter 11 proceedings, and E&Y (Canada) engaged E&Y LLP under a subcontracting arrangement to perform this engagement, with all fees to be paid by QWI as permitted in the

Canadian Proceeding and by applicable Canadian law. This subcontracted work eventually led to the formulation of the tasks inherent in the Tax Services sought to be approved herein. E&Y LLP incurred approximately \$100,000 in fees working under the aforementioned subcontracting engagement, which E&Y (Canada) is solely responsible to pay, and E&Y (Canada) incurred approximately \$20,000 working under the aforementioned engagement.

37. QWI also retained E&Y (Canada) to perform other services prior to the Petition Date, including translation services, FIN 48 services and sales and use tax services. E&Y (Canada) subcontracted E&Y LLP for the sales and use tax services. QWI owes E&Y Canada approximately \$50,219 (Canadian) for translation services, \$85,463 (Canadian) for FIN 48 services, and \$132,071 (Canadian) for sales and use tax services. E&Y LLP incurred the aforementioned \$132,071 (Canadian) in fees working under the subcontracting engagement on the sales and use tax services, which E&Y (Canada) paid to E&Y LLP. Neither E&Y LLP nor E&Y (Canada) holds or will assert any claim against the Debtors for services rendered prior to April 4, 2008.

38. In addition, prior to the Petition Date, on December 20, 2007, QWI retained Ernst & Young Inc. (“EYI”), another EYGL member firm, under an engagement to assist the QWI corporate group with various services, including analysis of options available to refinance and restructure QWI’s operations.

39. Pursuant to a January 21, 2008 order of the Canadian Court, EYI was appointed as the court-appointed Monitor in the Canadian Proceeding. The CCAA mandates the appointment of a Monitor, which is an independent court officer, to supervise and assist the Debtors subject to the Canadian Proceeding. The duties of the Monitor include reporting to the Canadian Court on

the business and financial affairs of the CCAA petitioners and developing and implementing a CCAA plan. EYI continues to serve as the Monitor in the Canadian Proceeding.

### **Memorandum Of Law**

40. This Application includes citations to the applicable authorities and a discussion of their application to this Application. Accordingly, the Debtors respectfully submit that such citations and discussion satisfy the requirement that the Debtors submit a separate memorandum of law in support of this Application pursuant to Rule 9013-1(b) of the Local Bankruptcy Rules for the Southern District of New York.

### **Notice**

41. Notice of this Application has been provided to all parties on the Notice List as set forth in the Case Management Order. A copy of the Application is also freely available on the website of the Debtors' proposed claim and noticing agent, Donlin, Recano & Company, Inc. at [www.donlinrecano.com](http://www.donlinrecano.com).

### **No Prior Request**

42. No prior motion for the relief requested herein has been made to this or any other court.

WHEREFORE, the Debtors respectfully request an entry of an order, substantially in the form attached hereto as Exhibit A, granting (i) the relief requested in this Application and (ii) such other relief as the Court deems just and appropriate.

Dated: April 7, 2008  
New York, New York

Respectfully submitted,

/s/ Michael J. Canning

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**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 (JMP)

Jointly Administered

Honorable James M. Peck

**ORDER AUTHORIZING THE DEBTORS TO EMPLOY ERNST &  
YOUNG LLP *NUNC PRO TUNCTO* TO APRIL 7, 2008 TO PROVIDE TAX  
CONSULTING SERVICES TO THE DEBTORS PURSUANT TO  
SECTIONS 327(a) AND 328(a) OF THE BANKRUPTCY CODE**

This matter is before the Court on the application (the “Application”)<sup>1</sup> of the above-captioned debtors and debtors in possession (the “Debtors”), for entry of an order authorizing and approving the retention and employment of Ernst & Young LLP (“E&Y LLP”) to provide tax advisory services and restructuring consulting services to the Debtors, with compensation and reimbursement of expenses to be paid as an administrative expense in such amounts as may be allowed by this Court pursuant to the United States Code (“Bankruptcy Code”); and upon the Affidavit of Lawrence M. Garrett, wherein it appears that E&Y LLP does not hold or represent any interest materially adverse to the Debtors, any creditors of the Debtors, or any other party in interest with respect to the matters upon which E&Y LLP is to be engaged and that E&Y LLP is a “disinterested person” as contemplated under sections 101(14), 327 and 1107 of the Bankruptcy Code; and this Court having determined that such retention is in the best interests of the Debtors,

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<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Application.

the Debtors' estates, creditors and equity security holders; and notice of the Application and the hearing on the Applications having been given to all parties entitled to receive notice; and it appearing that no other or further notice of the Application need be given; and after due deliberation and sufficient cause appearing therefore;

It is ORDERED, ADJUDGED, AND DECREED THAT:

1. The Application is GRANTED as set forth herein.
2. Pursuant to sections 327(a) and 328 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330, as amended (the "Bankruptcy Code") and Rule 2014(a) of the Federal Rules of Bankruptcy (the "Bankruptcy Rules"), the Debtors are authorized to employ E&Y LLP to provide tax advisory services and restructuring consulting services pursuant to the Engagement Letter, which is hereby approved *nunc pro tunc* to April 7, 2008.
3. E&Y LLP shall be compensated in accordance with the standards and procedures set forth in section 328 of the Bankruptcy Code and all applicable Bankruptcy Rules, Local Bankruptcy Rules for the United States Bankruptcy Court for the Southern District of New York (the "Local Rules"), guidelines established by the Office of the United States Trustee, and orders of this Court including the Court's Order establishing procedures for monthly compensation and reimbursement of expenses.
4. Nothing in this Order shall restrict or limit the right of the Debtors to apply to the Court to alter or expand the scope of services to be provided by E&Y LLP.
5. This Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.
6. The requirement under Local Rule 9013-1(b) for the service and filing of a separate memorandum of law is deemed satisfied by the Application.

Dated: New York, New York  
April \_\_\_\_, 2008

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UNITED STATES BANKRUPTCY JUDGE