

Form 210A (10/06)

United States Bankruptcy Court

Southern District of New York

In re Quebecor World (USA) Inc., et al., Case No. 08-10152 (JMP) (Jointly Administered)

TRANSFER OF CLAIM OTHER THAN FOR SECURITY

A CLAIM HAS BEEN FILED IN THIS CASE or deemed filed under 11 U.S.C. § 1111(a). Transferee hereby gives evidence and notice pursuant to Rule 3001(e)(2), Fed. R. Bankr. P., of the transfer, other than for security, of the claim referenced in this evidence and notice.

Merrill Lynch Credit Products, LLC
Name of Transferee

Blue Heron Paper Company
Name of Transferor

Name and Address where notices to transferee should be sent:

Court Claim # (if known): 70000
Amount of Claim: \$663,584.20
Date Claim Filed: May 30, 2008

Merrill Lynch Credit Products, LLC
Attn: Gary Cohen/Christopher Moon
4 World Financial Center, 7th Floor
New York, NY 10080
Phone: 212-449-4969
Facsimile: 212-449-0769

Phone: 503-650-4211
Last Four Digits of Acct. #: _____

Last Four Digits of Acct #: _____

Name and Address where transferee payments should be sent (if different from above):

Phone: _____
Last Four Digits of Acct #: _____

I declare under penalty of perjury that the information provided in this notice is true and correct to the best of my knowledge and belief.

(62)

By: [Signature]

Date: June 6, 2008

Transferee/Transferee's Agent

Ronald Tords, Vice President

Penalty for making a false statement: Fine of up to \$500,000 or imprisonment for up to 5 years, or both 18 U.S.C. §§ 152 & 3571

EVIDENCE OF TRANSFER OF CLAIM

TO: Clerk, United States Bankruptcy Court, Southern District of New York

AND TO: BLUE HERON PAPER COMPANY

Blue Heron Paper Company, a corporation organized under the laws of Oregon, with offices located at 419 Main Street, Oregon City, OR 97045 ("Seller"), for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and pursuant to the terms of a Transfer of Claim Agreement dated as of the date hereof, does hereby certify that it has unconditionally and irrevocably sold, transferred and assigned to Merrill Lynch Credit Products, LLC, its successors and assigns, with offices located at 4 World Financial Center, 7th Floor, Attention Gary S. Cohen / Christopher Moon, New York, NY 10080 ("Buyer"), all right, title and interest in and to the claims of Seller against Quebecor World (USA), Inc., docketed as Claim No. 70000 (the "Claim") in the United States Bankruptcy Court, Southern District of New York, Case No. 08-10152.

Seller hereby waives any notice or hearing requirements imposed by Rule 3001 of the Federal Rules of Bankruptcy Procedure, and stipulates that an order may be entered recognizing this Assignment of Claim as an unconditional assignment and Buyer herein as the valid owner of the Claim. You are hereby requested to make all future payments and distributions, and to give all notices and other communications, in respect to the Claim to Buyer.

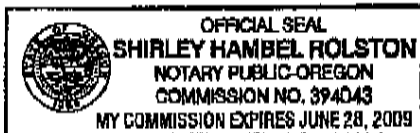
IN WITNESS WHEREOF, dated as of the 3rd day of June, 2008.

BLUE HERON PAPER COMPANY

WITNESS:

Shirley Hambel Rolston
(Signature)

Name: Shirley Hambel Rolston
Title: Natary
(Print name and title of witness)



WITNESS:

Gary S. Cohen
(Signature)

Name: Gary S. Cohen
Title:
(Print name and title of witness)

By: Ronald C. Ingram
(Signature of authorized corporate officer)

Name: RONALD C. INGRAM
Title: CFD
Tel.: 503-650-4250

MERRILL LYNCH CREDIT PRODUCTS, LLC

By: Ronald Totols
(Signature of authorized corporate officer)

Name: Ronald Totols
Title: Vice President
Tel.: 212-444-4969

cc

United States Bankruptcy Court Southern District of New York In re: Quebecor World (USA) Inc., et al. Case No. 08-10152 (JMP)		MAILING INSTRUCTIONS ON THE BACKSIDE OF THIS FORM	SECTION 503(b)(9) ADMINISTRATIVE EXPENSE PROOF OF CLAIM THIS SPACE IS FOR COURT USE ONLY Bar Date: _____
Debtor against which claim is asserted: Quebecor World (USA) Inc.			
NOTE: This Section 503(b)(9) Administrative Expense Claim Request is to be used solely in connection with a request for payment of an administrative expense claim pursuant to §503(b)(9) of the United States Bankruptcy Code.		<input type="checkbox"/> Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. <input type="checkbox"/> Check box if you have never received any notices from the bankruptcy court in these cases. <input type="checkbox"/> Check box if the address differs from the address on the envelope sent to you by the claims agent.	
Name and address of Creditor (The person or other entity to whom the debtor owes money or property): Blue Heron Paper Company 419 Main Street Oregon City, OR 97045		Telephone Number: 503-650-4211 Fax Number: 503-650-4551	
If address is incorrect, please insert correct address:		Account or other number by which Creditor identifies Debtor:	
1. BASIS FOR CLAIM: <input checked="" type="checkbox"/> Goods sold <input type="checkbox"/> Other		Check here if this claim <input type="checkbox"/> replaces <input type="checkbox"/> amends a previously filed claim, dated: _____	
2. DATE DEBT WAS INCURRED: Various, see attached		3. IF COURT JUDGMENT, DATE OBTAINED:	
4. TOTAL AMOUNT OF SECTION 503(b)(9) ADMINISTRATIVE CLAIMS: 663,584.20 <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.			
5. BRIEF DESCRIPTION OF CLAIM (attach any additional information): Section 503(b)(9) claim allowed per Stipulation and Order entered on Clerk's docket on May 22, 2008, attached hereto.			
6. CREDITS AND SETOFFS: The amount of all payments on this claim has been credited and deducted for the purpose of making this claim. In filing this claim, claimant has deducted all amounts that claimant owes to the debtor.		THIS SPACE IS FOR COURT USE ONLY.	
7. SUPPORTING DOCUMENTS: Attach copies of supporting documents (i) identifying the goods giving rise to the alleged liability; and (ii) establishing proof of receipt by the Debtor within 20 days before the Petition Date. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary. Any attachment must be 8-1/2" by 11".		RECEIVED JUN MAY 30 PM 1:48 BANKRUPTCY COURT FOR THE S.D. OF N.Y.	
8. DATE-STAMPED COPY: To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and duty of this claim.			
Date: 5/29/08		Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any). Brady A. Sargent, Attorney	
Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.			
INSTRUCTIONS FOR FILING SECTION 503(b)(9) ADMINISTRATIVE EXPENSE CLAIM			
<i>The instructions and definitions below are general explanations of the law. In particular types of cases or circumstances there may be exceptions to the general rules.</i>			

**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**STIPULATION AND CONSENT ORDER BETWEEN THE DEBTORS AND BLUE
HERON PAPER COMPANY**

This stipulation and consent order (the "Stipulation") is entered into and agreed to by and between Quebecor World (USA) Inc., et al. (the "Debtors"), the Debtors in the above-captioned cases, and Blue Heron Paper Company ("Blue Heron") by and through their undersigned attorneys, as follows:

WHEREAS, on January 21, 2008 (the "Petition Date"), the Debtors filed their voluntary petitions in this Court for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The Debtors' cases are being jointly administered pursuant to an order of this Court, and pursuant to Sections 1107 and 1108 of the Bankruptcy Code the Debtors continue to operate their businesses and manage their properties as debtors-in-possession; and

WHEREAS, on January 31, 2008, an Official Committee of Unsecured Creditors (the "Creditors' Committee") was appointed in these cases.

WHEREAS, Blue Heron is a supplier of certain paper products to the Debtors and has a long-standing trade relationship with the Debtors; and

WHEREAS, on January 25, 2008, Blue Heron sent the Debtors a reclamation demand for goods received by the Debtors from Blue Heron within 45 days before the Petition Date (the "Reclamation Demand"); and

WHEREAS, on February 7, 2008, Blue Heron filed a *Motion of Blue Heron Paper Company (i) To Allow Recoupment and/or (ii) for Relief from the Automatic Stay to Allow Setoff* (the "Motion"); and

WHEREAS, no party in interest has filed or otherwise raised an objection to the relief requested in the Motion or the Reclamation Demand; and

WHEREAS, as of the Petition Date, the Debtors owed Blue Heron \$1,459,370.32 on account of all products shipped by Blue Heron to the Debtors pre-petition; and

WHEREAS, as of the Petition Date, Blue Heron owed the Debtors \$795,786.12 on account of rebates due to the Debtors for purchases from Blue Heron; and

WHEREAS, Blue Heron and the Debtors have agreed to resolve the Motion and Reclamation Demand on the terms and conditions set forth in this Stipulation, including specifically the setoff of the rebates owed to the Debtors by Blue Heron against the pre-petition amounts the Debtors owe to Blue Heron, and to otherwise resolve the Reclamation Demand.

NOW THEREFORE, it is hereby stipulated that:

1. The Debtors and Blue Heron hereby agree to setoff rebates in the aggregate amount of \$795,786.12 owed by Blue Heron to the Debtors pre-petition against the obligations of the Debtors in the aggregate amount of \$1,459,370.32 owing to Blue Heron pre-petition. In final settlement of all amounts owing to Blue Heron by the Debtors on account of pre-petition claims and obligations, including as set forth in the Reclamation Demand, Blue Heron is hereby granted an allowed section 503(b)(9) administrative claim (the "Blue Heron Claim") in the aggregate amount of \$663,584.20, which claim shall be paid pursuant to any plan of reorganization confirmed in these cases or if no such plan is confirmed by the

Court, as further ordered by the Court after notice and hearing or as otherwise permitted or provided for by the order setting procedures for section 503(b)(9) claims in the Debtors' cases entered on April 21, 2008.

2. This Stipulation resolves in all respects the Motion and the Reclamation Demand (including all of the invoices attached to said Motion and Reclamation Demand); all other pre-petition obligations or transfers between, owing to or among Blue Heron and the Debtors. This Stipulation shall be binding on all parties in interest in Debtors' cases.
3. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Stipulation.

Dated: New York, New York
May 1, 2008

By: /s/ Brandy A. Sargent
Brandy A. Sargent
Stoel Rives LLP
600 University Street, Suite 3600
Seattle, WA 98101
(206) 386-7500

Counsel to Blue Heron Paper Company

By: /s/ Michael J. Canning
Michael J. Canning (MC 8060)
Arnold & Porter LLP
399 Park Avenue
New York, NY 10022-4690
(212) 715-1000

Counsel to the Debtors and Debtors-In-Possession

SO ORDERED:

Dated: New York, New York
May 22, 2008

s/ James M. Peck
HONORABLE JAMES M. PECK
UNITED STATES BANKRUPTCY JUDGE