

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK

-----X	:	
In re:	:	Chapter 11
	:	
QUEBECOR WORLD (USA), INC. et al	:	Case No: 08-10152
	:	
Debtors	:	
-----X	:	

DECLARATION OF MAILING NOTIFYING TRANSFEROR(S) AND TRANSFEREE(S) REGARDING  
DEFECTIVE NOTICE OF TRANSFER OF CLAIM PURSUANT TO FRBP RULE 3001 (e) (1) and/or (e) (2)

STATE OF NEW YORK )  
 )  
 COUNTY OF NEW YORK )      SS:

I, Tina Carr declare:

1. I am over the age of 18 years and not a party to the within action.
2. I am employed by Donlin, Recano and Company, Inc., 419 Park Avenue South, Suite 1206, New York, NY 10016.
3. On the 9th day of June, 2008, I received a copy of a Notice of Transfer for Docket No. #701 as printed from the docket maintained by the court for the captioned debtors.
4. On the 10th day of June, 2008, I sent a copy of the Defective Notice of Transfer of claim pursuant to FRBP 3001 (e) (1) and/or (e) (2) to the Transferor and Transferee via first class mail, postage prepaid and by depositing same in a mail box maintained by the U.S. Postal Service.
5. I declare under penalty of perjury that the foregoing is true and correct. Executed this 11th day of June, 2008 at New York, New York.

By Tina Carr  
 Tina Carr

Sworn before me this  
11th day of JUNE 2008

Arlene Marks  
 Notary Public

ARLENE R. MARKS  
 Notary Public, State of New York  
 No. 02MA4935354  
 Qualified in New York County  
 Commission Expires June 6, 2012

**RETURN TO THE UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

**VIA FEDERAL EXPRESS**

DATE: June 10, 2008

TO: Mr. Mark Diamond, Operations Manager  
United States Bankruptcy Court  
Southern District of New York  
One Bowling Green  
New York, NY 10004

FROM: Lillian Jordan, Supervisor  
Donlin, Recano & Company, Inc.  
419 Park Avenue South  
Suite 1206  
New York, NY 10016

RE: DEBTOR: **QUEBECOR WORLD (USA), INC., ET AL**  
CASE NO. **08-10152 (JMP)**

Enclosed please find the following:        X   Transfer             Claim             Other

**DOCKET #701**

**DATED: 6/6/08**

**TRANSFEROR:            BLUE HERON PAPER COMPANY**

We are returning the attached **NOTICE OF TRANSFER** to you for the following reasons:

- **INCORRECT CLAIM NUMBER FOR TRANSFEROR.**

**PLEASE AMEND AND RETURN FOR PROCESSING.**

If you should have any questions, please contact me at (212) 481-1411.

Thank you.

LJ:tlc  
Attachment(s)

Form 210A (10/06)

# 701  
6-6-08

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, 7<sup>th</sup> 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 #: \_\_\_\_\_

**DONLIN, RECANO & CO.**

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

JUN 9 2008

Phone: \_\_\_\_\_  
Last Four Digits of Acct #: \_\_\_\_\_

**CLAIMS PROCESSING DEPT**

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.

(GC)

By: [Signature]  
Transferee/Transferee's Agent

Date: June 6, 2008

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: Notary (Print name and title of witness)



WITNESS:

[Signature] (Signature)

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

By: [Signature] (Signature of authorized corporate officer)

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

MERRILL LYNCH CREDIT PRODUCTS, LLC

By: [Signature] (Signature of authorized corporate officer)

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

GC

<b>United States Bankruptcy Court</b> <b>Southern District of New York</b> In re: Quebecor World (USA) Inc., et al. Case No. 08-10152 (MJP)		<b>MAILING INSTRUCTIONS ON THE BACKSIDE OF THIS FORM</b>	<b>SECTION 503(b)(9) ADMINISTRATIVE EXPENSE PROOF OF CLAIM</b> <b>THIS SPACE IS FOR COURT USE ONLY</b> Bar Date: _____
Debtor against which claim is asserted:  <b>Quebecor World (USA) Inc.</b>			
Name and address of Creditor (The person or other entity to whom the debtor owes money or property):  <b>Blue Heron Paper Company</b> <b>419 Main Street</b> <b>Oregon City, OR 97045</b>		<input type="checkbox"/> Check box if you are aware that anyone else has filed a proof of claim relating to your estate. Attach copy of statement giving pertinent. <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.	
If address is incorrect, please insert correct address:		Telephone Number: <b>503-650-4211</b> Fax Number: <b>503-650-4551</b>	
Account or other number by which Creditor identifies Debtor:		Check here if this claim <input type="checkbox"/> replaces <input type="checkbox"/> amends a previously filed claim, dated: _____	
<b>1. BASIS FOR CLAIM:</b> <input checked="" type="checkbox"/> Goods sold <input type="checkbox"/> Other			
<b>2. DATE DEBT WAS INCURRED:</b> <b>Various, see attached</b>		<b>3. IF COURT JUDGMENT, DATE OBTAINED:</b>	
<b>4. TOTAL AMOUNT OF SECTION 503(b)(9) ADMINISTRATIVE CLAIMS: 663,584.20</b> <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.			
<b>5. BRIEF DESCRIPTION OF CLAIM (attach any additional information):</b> <b>Section 503(b)(9) Claim allowed per Stipulation and Order entered on Clerk's docket on May 22, 2008, attached hereto.</b>			
<b>6. CREDITS AND RETURNS:</b> The amount of all payments on this claim has been received and retained for the purpose of making this claim. In filing this claim, claimant has declared all amounts they claimed owed to the debtor.		<b>THIS SPACE IS FOR COURT USE ONLY.</b> JUN 11 AM 30 PM : 49 BANKRUPTCY COURT SDR JDR	
<b>7. SUPPORTING DOCUMENTS:</b> Attach copies of <u>original</u> 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. <b>DO NOT SEND ORIGINAL DOCUMENTS.</b> If the documents are not available, explain. If the documents are voluminous, attach a summary. Any attachment must be 8 1/2" x 11".			
<b>8. DATE-STAMPED COPY:</b> To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and duty of this claim.			
Date: <b>5/29/08</b> 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). <b>Stacy A. Sargent, Attorney</b>			
<b>Penalty for presenting fraudulent claims:</b> Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 157 and 1592.			
<b>INSTRUCTIONS FOR FILING SECTION 503(b)(9) ADMINISTRATIVE EXPENSE CLAIM</b>			
<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>			

RECEIVED

**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