

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

Case No. 08-10152

- - - - -x

In the Matter of:

QUEBECOR WORLD (USA) INC.,

Debtor.

- - - - -x

U.S. Bankruptcy Court
One Bowling Green
New York, New York

August 14, 2008
10:01 a.m.

B E F O R E:

HON. JAMES M. PECK

U.S. BANKRUPTCY JUDGE

1 MOTION Filed by the Debtors for Authority to Enter Into a
2 Printing Agreement With Local Insight Media Holdings Inc.

3

4 MOTION Filed by the Debtors to Employ Watson Wyatt & Company
5 Nunc Pro Tunc to August 1, 2008 as Pension and Employee
6 Benefits Consultants to the Debtors

7

8 DEBTOR'S Second Omnibus Motion for an Order Authorizing the
9 Rejection of Certain Unexpired Nonresidential Real Property
10 Leases

11

12 MOTION Filed by the Debtors for an Order Extending the Time
13 Within Which the Debtors May Assume or Reject Certain Unexpired
14 Leases of Nonresidential Real Property Upon Consent of
15 Applicable Landlords.

16

17 DEBTOR'S First Omnibus Motion for an Order Authorizing the
18 Debtors to Assume Certain Unexpired Nonresidential Real
19 Property Leases

20

21 MOTION Filed by the Debtors for the Authority to Enter Into
22 Memorandum of Agreement Amending a Printing Agreement With
23 Parade Publications and to Assume the Printing Agreement as
24 Amended

25

1 MOTION Filed by the Debtors for an Order Directing the Debtors
2 to Determine Within Twenty Days Whether to Assume or Reject an
3 Executory Contract with Sharp Electronics Corporation and
4 Granting Additional Relief

5
6 MOTION Filed by Navistar Financial Corporation for an Order
7 Seeking Adequate Protection and/or Modifying the Automatic Stay

8
9 MOTION Filed by GreatAmerica Leasing Corporation for Allowance
10 of Administrative Expense Claim, and with Respect to
11 GreatAmerica's Security Agreement, Either Modifying the
12 Automatic Stay or Granting Adequate Protection, and with
13 Respect to Great America's Equipment Lease, Compelling the
14 Debtor to Assume or Reject the Lease or Vacating the Automatic
15 Stay

16
17 MOTION Filed by Marlin Leasing Corp. for an Order Granting
18 Relief from the Automatic Stay

19
20 MOTION Filed by the Debtor for an Order Authorizing the
21 Establishment and Implementation of Exclusive, Global
22 Procedures for Treatment of Reclamation Claims

23
24
25

1 MOTION Filed by All Points Capital Corp. for an Order for (i)
2 Quebecor World Buffalo, Inc. Debtor, to Comply With Section
3 365(d)(5) of the Bankruptcy Code, (ii) Ordering the Debtor to
4 Either Assume or Reject a Certain Equipment Lease Dated October
5 29, 2002, (iii) Granting All Points Capital Corp. an
6 Administrative Expense Claim, and (iv) Alternatively, Modifying
7 the Automatic Stay With Respect to Leased Equipment if the
8 Subject Lease is Rejected or Post-Petition Payments Are Not
9 Made

10
11 MOTION Filed by National City Commercial Capital Company, LLC
12 to Compel the Debtor in Possession/Trustee to Accept or Reject
13 Equipment Lease and/or for Relief from the Automatic Stay and
14 for an Administrative Claim

15
16 FINAL Hearing Re: Motion filed by the Debtors for Interim Order
17 Determining Adequate Assurance of Payment for Future Utility
18 Services

19
20 Motion Filed by Ecological Fibers, Inc. for Allowance and
21 Immediate Payment of Administrative Claim

22
23

24 Transcribed By: Esther Accardi

25

1 A P P E A R A N C E S :

2 ARNOLD & PORTER LLP

3 Attorneys for Debtor

4 399 Park Avenue

5 New York, New York 10022

6

7 BY: MICHAEL J. CANNING, ESQ.

8

9

10 AKIN GUMP STRAUSS HAUER & FELD LLP

11 Attorneys for Creditors' Committee

12 590 Madison Avenue

13 New York, New York 10022

14

15 BY: DAVID H. BOTTER, ESQ.

16

17

18 AKIN GUMP STRAUSS HAUER & FELD LLP

19 Attorneys for Creditors' Committee

20 1700 Pacific Avenue

21 Dallas, Texas 75201

22

23 BY: SARAH LINK SCHULTZ, ESQ.

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

A P P E A R A N C E S : (continued)

WILLKIE FARR & GALLAGHER LLP

Attorneys for Corporate Property Associates

787 Seventh Avenue

New York, New York 10019

BY: JAMES O. MOORE, ESQ.

PAUL WEISS RIFKIND WHARTON & GARRISON LLP

1285 Avenue of the Americas

New York, New York 10019

BY: SAMUEL E. LOVETT, ESQ.

P R O C E E D I N G S

1
2 THE COURT: Please be seated. Mr. Canning, good
3 morning.

4 MR. CANNING: Good morning, Your Honor. Mike Canning
5 from Arnold & Porter on behalf of the debtors.

6 Your Honor, we have a few matters on the agenda
7 today. And, as always, I follow our final agenda in terms of
8 going through those.

9 First, we have the uncontested matters, Your Honor.
10 And the first matter is the debtor's motion for authority to
11 enter into a printing agreement with Local Insight Media
12 Holdings. Local Insight, Your Honor, is the provider of print
13 yellow pages and Internet based search services in Cincinnati,
14 Hawaii, Alaska and a number of other areas around the United
15 States. Currently, the debtors have three contracts with Local
16 Insight. Two of them expired in the fourth quarter of this
17 year and one of them expires the end of 2011. The debtors have
18 been negotiating with Local Insight for some time and are
19 actually quite pleased to have entered into a new agreement on
20 a going forward basis that will allow us to print for them
21 through June of 2018. We'll begin to immediately start seeing
22 additional revenues. We have some new expanded services that
23 we're going to be providing for them immediately, and it
24 generates approximately \$100 million of revenue over the course
25 of the new contract. So this is a real positive for the

1 company, and the debtors would like to have the Court grant the
2 motion and allow us to enter into that agreement.

3 THE COURT: There are no objections, I've reviewed
4 it. It seems to be in the best interest of the debtor and I'll
5 approve it.

6 MR. CANNING: Absolutely. Thank you, Your Honor.

7 The next item, Your Honor, on the agenda is the
8 debtor's application to retain Watson Wyatt & Company. Watson
9 Wyatt has actually been providing actuarial and consulting
10 services for the debtors and also with respect to their
11 qualified and nonqualified pension plans already during the
12 pendency of the case. We included Watson Wyatt on the original
13 list of the ordinary course professionals.

14 In the last couple of months their amounts each month
15 have exceeded by a little bit the \$50,000 limit per month. And
16 the company's also sort of had further discussions with them
17 about expanding the kinds of services and the level of services
18 that they will be rendering to the debtor during the course of
19 the case to the point that it's clear that it will ultimately
20 exceed the \$500,000 cap that we've provided for for ordinary
21 course professionals. As a result, pursuant to the earlier
22 order that we had entered by the Court with respect to ordinary
23 course professionals, we're now going to come back and seek to
24 retain them full time as a full professional subject to 327 of
25 the code. So no objections were filed, Your Honor, so we'd

1 also ask for the Court to grant an order allowing us to retain
2 them.

3 THE COURT: I approve that as well.

4 MR. CANNING: Thank you, Your Honor. Your Honor, the
5 next two items on the uncontested matters list address the
6 second omnibus motion that the debtors filed in connection with
7 seeking authority to reject certain unexpired nonresidential
8 real property leases. And associated with that is the debtor's
9 motion seeking an order extending the time within which the
10 debtors may assume or reject certain other nonresidential real
11 property leases. And then, as Your Honor I'm sure noted on the
12 contested matter we have, the third of the trilogy that we
13 filed simultaneously, which was the motion to allow the debtor
14 to assume certain nonresidential real property leases. It
15 might be easier, if it's acceptable to the Court, if I sort of
16 describe sort of where we are in that process collectively for
17 all three motions. Because I think they do sort of relate to
18 each other.

19 THE COURT: I think that makes good sense.

20 MR. CANNING: Generally, Your Honor, the debtors have
21 spent considerable amount of time over the last several months
22 reviewing their real estate situation. As Your Honor is well
23 aware, we have a number of facilities around North America but
24 certainly, specifically in New York where -- I'm sorry, the
25 U.S. where probably seventy-five or eighty percent of the

1 operations reside. So in that regard we've retained, several
2 months ago, three real estate consulting firms. George Comfort
3 of Pike & Core. And with their assistance the real estate
4 group within the company has really done a comprehensive review
5 of all of the facilities. Tried to determine, to the extent we
6 can, somewhat early in a case of this size, what would be in
7 the best interest of the debtors to assume and what were
8 clearly not locations that we we're going to need on a going
9 forward basis. After going through that analysis and, frankly,
10 having a lot of discussion with a number of the landlords to
11 see if there were opportunities to reduce rental rates or
12 possibly relocate to different locations that would be more
13 economically advantageous to the estate and its creditors.

14 The debtors did put together a sort of a
15 comprehensive list of what should be assume, what should be
16 extended. And in certain instances, where were still in
17 discussions with landlords, seeking their consent to put off
18 the time within which we had to make that decision. We then
19 reviewed that list with the creditors' committee and their
20 professionals quite extensively over the last ten days. And I
21 think with some modifications, which I'd like to describe, I
22 think that all parties, all of the creditors, as well as the
23 debtors, are now sort of in agreement as to what each of these
24 particular baskets should look like.

25 Generally, with respect to the -- and I'll start with

1 the motion to assume, Your Honor, since I think everything sort
2 of flows down from that. But we had originally on the list
3 about thirty-five properties that the debtors felt were
4 appropriate to assume. We only had two properties that were on
5 the list to reject. And then we had a number of properties
6 that we extended the time.

7 In many respects, that's not a surprise because we're
8 so heavily into plant facilities where even if the rents might
9 be a little lower someplace else, when you factor in the costs
10 to relocate the printing facilities, the dislocation, the
11 associated costs and the disruption to customers, which is
12 maybe the most important thing, it pretty much dictated that by
13 and large the company needed to keep these facilities and it
14 needed to stay in the current locations where they are.

15 So we had to be assumed on the list. Initially, I
16 think we had thirty-seven on the list. And we're now going to
17 delete a couple from that list. One of them is a facility in
18 Dyersburg, Tennessee which was the subject of an IDB financing,
19 frankly. And it's morphed over the years with a series of
20 amendments. And the committees really haven't had an
21 opportunity yet to review all of those documents to get
22 comfortable. So, although we think that ultimately is a
23 facility that will be assumed, we have gotten consent of the
24 landlord to extend the time by which we have to make that
25 decision for sixty days until -- I think it's October 17th,

1 which is the day after our omnibus hearing on October 16th.

2 The other one, frankly, Your Honor, was a mistake.
3 It was a facility in Bethesda that the debtor entered into
4 post-petition so there's really isn't any need to have it on
5 the list and with a little bit more time to scrub it we
6 realized that that was the case; so that's been removed from
7 that list.

8 With respect to the rejections, there really is not
9 any changes there. That list has stayed the same. There's
10 only two leases. My only comment there is one of them was the
11 facility in Edison, New Jersey that Your Honor may recall that
12 we entered into a new facility in Edison to move our co-mailing
13 facilities.

14 THE COURT: I recall that.

15 MR. CANNING: Exactly. So we've reached agreement
16 with the landlord to reject it today but with the vacancy to be
17 effective at the end of January to accommodate our transition
18 to our new facility.

19 Now, with respect to the last motion, Your Honor,
20 which was to extend the time within which we were to assume or
21 reject, we added to that list -- we already had the number of
22 properties on that list. We've added the Dyersburg property
23 that I just mentioned. We also -- there was a question raised
24 as to whether or not another IDB in Tennessee at Clarksville,
25 Montgomery County may include some real estate as well. And,

1 again, we just simply didn't have time in the last couple of
2 days to really ferret that out. We talked to the landlord down
3 there and they've consented. So that's not on any list right
4 now. That will be a new addition to the list that's attached
5 to the order that allows us to extend the time to assume or
6 reject.

7 And then lastly, Your Honor, there's one deletion --
8 one other deletion from the motion to assume and that's with
9 respect to a property in Atlanta. That was also in all
10 respects probably a mistake. The tenant there is not a debtor
11 entity, it's a nondebtor entity. We have been in negotiations
12 with that landlord and are still hopeful that agreement will be
13 reached on amendment to the existing lease with the nondebtor
14 entity, which may include the assignment of that facility to a
15 debtor entity, because the debtor entity is actually in
16 occupancy.

17 THE COURT: This relates to the objection I saw filed
18 by Willkie Farr & Gallagher?

19 MR. CANNING: Exactly right, Your Honor. And that's
20 why I saved that until the end. We only --

21 THE COURT: There's someone standing who must be a
22 Willkie lawyer.

23 MR. MOORE: May I speak now or shall I wait?

24 THE COURT: Since we're talking about this
25 transaction you're free to come forward. I saw you walked in a

1 little bit late.

2 MR. MOORE: Sorry, Your Honor.

3 THE COURT: That's okay. I just pay attention to
4 these things. Come on up.

5 MR. MOORE: Sure.

6 MR. CANNING: Your Honor, while he's approaching I
7 might just finish that we did have the three objections. Two
8 of them were for future payments and we've resolved those on
9 amounts that are acceptable to both the debtors and the
10 respective landlords. One was for 23,000, one was for 90,000.
11 And in the fullness of disclosure we also had an informal
12 objection from one landlord for \$146 and we've added that to
13 the list as well.

14 Those objections were satisfied, this is the one
15 remaining issue.

16 THE COURT: Okay. So what's the status of the DeKalb
17 County property, do you want to speak on behalf of your client?

18 MR. MOORE: Your Honor, Jimmy Moore of Willkie Farr &
19 Gallagher. We represent Corporate Property Associates, the
20 landlord to the lease in Georgia.

21 Your Honor, I apologize for being late, we were on
22 the phone this morning.

23 THE COURT: That's fine, it was only five minutes.

24 MR. MOORE: I rushed down here. Your Honor, I'd just
25 like to state for the record that while we recognize we won't

1 be able to resolve this today, I'd like to state for the record
2 just the following facts. First, that the debtors, as stated
3 in their papers, that one of the debtors in these cases is
4 acting as tenant to our lease. Two, we, as landlord, we do not
5 agree to the extension of the time to assume. And third,
6 because the lease will not be assumed by the end of the 210 day
7 period, that's the initial 120 days, Your Honor, under
8 365(d)(4) and the ninety day extension that they received, it's
9 our understanding, Your Honor, that the lease will be deemed
10 rejected at the end of that period.

11 THE COURT: That hardly seems possible since this is
12 a lease with a Canadian -- or it's a nondebtor entity. I don't
13 understand your argument at all.

14 MR. MOORE: Your Honor, in the debtor's papers in
15 Exhibit B to their motion they state that one of the debtors in
16 these cases is essentially acting as tenant to our lease. They
17 are occupying the premises, Your Honor, and they were also
18 fulfilling all the obligations under the lease.

19 THE COURT: Well, this is not the time to litigate if
20 that's what we're doing through these statements. Questions of
21 fact that are not really before me, except in some pleadings
22 that have been filed. I heard Mr. Canning say that this was
23 not going to be a contested matter today, and I don't know if
24 they crossed signals or exactly what's going on. But I hear
25 what you've had to say, your rights are reserved, what you have

1 just said, frankly, doesn't sound right to me, but that doesn't
2 mean that I'm making any findings. To the extent that the
3 property is being used by a debtor but the debtor is not the
4 lessee, I don't know what the arrangements are and I make no
5 findings with respect to that. But you've said some things
6 that frankly sound to me to be patently wrong. That doesn't
7 mean that I'm making a finding that you can't ultimately
8 prevail. But I don't think we're going to be spending our time
9 fruitfully if you press the point now.

10 MR. MOORE: I understand, Your Honor. And just to
11 add, debtor's counsel mentioned that they want to look to
12 negotiate with us further, and we're happy to do that, sir.

13 THE COURT: I'm sure you will be. And I wish you and
14 your client luck in working something out.

15 MR. MOORE: Thank you, Your Honor.

16 MR. CANNING: Thank you, Your Honor. With those
17 changes, I think that the debtors are prepared to ask the Court
18 if it would enter the order in respect of all three motions.
19 One to assume the leases that we've now modified on our list,
20 to reject the leases that we've had on our list with no change,
21 and then to grant the extensions with respect to the balance of
22 the leases. There's, like, seven of them, six of them are
23 through October 17th, which is sixty days. One of the -- the
24 Clarksville one, because we're not even sure whether it really
25 is a real estate component to it, is September 19th, which is a

1 day after our omnibus hearing.

2 THE COURT: I take it to the extent that there were
3 cure objections that I saw, those have been resolved?

4 MR. CANNING: Yes, they have, Your Honor. As I
5 mentioned, there were two formal objections one for Bowling
6 Brook and one for the property -- the Hewell property and those
7 have been resolved.

8 THE COURT: Plus one for \$147.

9 MR. CANNING: \$146 in full.

10 THE COURT: Sorry, got the number wrong.

11 MR. CANNING: Which has also been resolved, Your
12 Honor. And so we've modified those charts to reflect those as
13 the cure amounts the debtor will pay.

14 THE COURT: Fine. I'm happy to approve all that.

15 MR. CANNING: Thank you very much, Your Honor.

16 Your Honor, the next motion is the debtor's motion
17 for authority to enter into the memorandum of agreement
18 amending a printing agreement with Parade Publications. And as
19 Your Honor knows, that motion was filed with not a lot of
20 specific information and there have been a couple of additional
21 pleadings, a limited objection filed by the committee as well
22 as a reply, a response by the debtors with respect to that.
23 Virtually all of the specifics about that amendment, as you
24 know, are confidential. We do have the declarants in the
25 courtroom, Your Honor, today who are prepared to testify if

1 Your Honor would like to ask any additional questions. Due to
2 the confidentiality of it, Your Honor, I would leave to the
3 Court how you would like to proceed with that.

4 THE COURT: This is actually a tough one. Not that
5 the issues are so tough, but we have a public hearing. I have
6 reviewed the papers that were very carefully and discreetly
7 written by both the committee and by the debtor. Nobody took
8 unfair shots at the other. I noted that and appreciate that.

9 But there wasn't a request made that the courtroom be
10 sealed for purposes of the argument, although the pleadings
11 have been sealed. I know that key participants in the case
12 have received unredacted copies of the pleadings and so they're
13 fully informed. I think it's possible for us to talk about the
14 issues without invading the specifics of the transaction. And
15 I think that the principal issues, and I'm familiar with them,
16 go to whether or not the Bankruptcy Court should be
17 substituting its business judgment for that of the debtor as to
18 a transaction of obvious and recognized importance. And the
19 committee in its papers makes clear that it recognizes the
20 significance of the transaction but has expressed concern that
21 there are certain aspects of it, notably those relating to
22 possible impact on the plan process itself, that may be
23 inappropriate in light of the other transactions that the
24 debtor may be entering into of like type. That's my discreet
25 way of attempting to characterize what I think I've read

1 without going into the specifics.

2 I don't feel any need, based upon my having read the
3 papers, for there to be a more formal presentation,
4 particularly as it relates to the declarant, whose declaration
5 is almost word for word the same as the papers filed by the
6 debtor. And I believe that the debtor has been extraordinarily
7 careful in pointing out that the committee's concerns are
8 reasonable concerns but that the business transaction that
9 underlies this proposed contract extension and modification is
10 such an important transaction for the company and represents so
11 significant a relationship now and in the future that
12 notwithstanding the fact that I believe there is what amounts
13 to a unity of interests between the debtor and the committee
14 with respect to some of the issues that are before me, that the
15 debtor is effectively saying to me we've thought about it,
16 we've negotiated it carefully and this is a transaction that we
17 believe is so important that notwithstanding the fact that
18 there are aspects to it that we might prefer weren't part of
19 the deal, we're nonetheless prepared to go forward with it.
20 That's how I read the papers.

21 Now, as far as your putting on the case that you want
22 to put on, you're free to do that. But I'm also prepared to
23 rule.

24 MR. CANNING: Thank you very much, Your Honor. We
25 are prepared to just go forward with no more formal

1 presentation. I would note that Your Honor's comments and your
2 characterization is, from the debtor's standpoint, absolutely
3 accurate. And that's, I think, all I need to say for the
4 record.

5 MR. BOTTER: Your Honor, David Botter, Akin Gump
6 Strauss Hauer & Feld on behalf of the committee.

7 With Your Honor's comments, we'd be prepared to rest
8 on our papers and have you rule.

9 THE COURT: All right. I'm prepared to, based upon
10 my careful review of both the committee's papers and the
11 debtor's papers, to approve this transaction in the form that
12 it has been presented. I want to compliment, by the way, both
13 the committee and the debtor in presenting what is really a
14 very complicated subject matter in a thoughtful and
15 dispassionate way. It points out the concerns which are
16 reasonable concerns but which didn't overplay the hand on
17 either side. And I'm frankly very pleased that in a case of
18 this magnitude and importance, significant issues are being
19 presented to me in a way that frankly makes it easier for me to
20 make thoughtful decisions. And everybody has been
21 extraordinarily civil, for which I complement you.

22 I believe that the transaction that's presented is
23 one that makes good business sense for the debtor. I am not
24 prepared to substitute my business judgment for that of the
25 debtor. Nor, as I read the committee's papers, is the

1 committee suggesting that its business judgment should be
2 substituted for the debtor.

3 Rather, I view the committee as expressing reasonable
4 concerns that a customer relationship not be elevated to the
5 level of a covenant based relationship. Notwithstanding the
6 fact that there are elements in the transaction, as I have
7 reviewed it, that I consider as to the committee unusual, I am
8 prepared to approve it given the obvious significance that this
9 transaction has to the operations of the debtor, and I think
10 it's six different plants. This represents the publication of
11 a magazine that has the widest circulation of any other
12 magazine in the United States and constitutes a very
13 significant percentage of the operations of this division of
14 the debtor. And for that reason, I'm prepared, under the
15 circumstances, to see this as if not a unique relationship, a
16 relationship of such extraordinary business significance that
17 it is important for it to be preserved and expanded. I accept
18 as a given that the parties to the negotiations negotiated at
19 length and in good faith and that the transaction that has been
20 presented represents a balanced and appropriate transaction for
21 the debtor. For that reason, I'm prepared to approve it.

22 MR. CANNING: Thank you very much, Your Honor.

23 MR. BOTTER: Thank you, Judge.

24 MR. CANNING: Your Honor, I think that is all the
25 items that we had, other than the adjourned matters, and there

1 are several of those which we have referred to before. We have
2 basically worked out with all of those counterparties post-
3 petition payments and we're working on stipulations which we'll
4 either present next time, Your Honor, or maybe even on notice
5 of presentment if we work them out beforehand.

6 And other than that -- the only other item, Your
7 Honor, I wanted to just raise with the Court is just a follow-
8 up to advise Your Honor of some discussions I've had with each
9 of the three committees and with the U.S. Trustee regarding the
10 MICP program, which Your Honor will remember we had approved a
11 month or two ago.

12 Since the Court approved that we've had a couple of
13 modifications to the individuals who are appropriately -- that
14 I'll characterize as in the circle covered by the program with
15 respect to the enhanced payments. They have to do with some
16 individuals who actually have since left the company. There's
17 been some promotions from within the company. There's been
18 some modifications as a result of a consolidation of some units
19 within a division of the company and as a result of that, the
20 net effect of those that have occurred so far would be a
21 reduction in the overall dollars that would be applicable and
22 available for the eligible participants by some \$600,000.

23 But what that process made us realize is that on a
24 going forward basis, since this plan runs through June of next
25 year, that there may, from time to time, be other similar

1 modifications. And so as not to burden the Court, I've
2 discussed with each of the three committees and with the U.S.
3 Trustee's Office that when they occur we will provide the
4 necessary information to each of the committees and to the U.S.
5 Trustee as to the individuals, as to the dollar amount and as
6 to their relationship and their work performance within the
7 company. And assuming that all three of the committees and the
8 U.S. Trustee are satisfied, then we can make that modification
9 to the program without having to come back to the Court.

10 Obviously, if there was something that there was
11 disagreement about, we would not make the change until we came
12 back to the Court.

13 THE COURT: What you're describing is something that
14 while obviously significant to the individuals affected is more
15 in the nature of a ministerial change.

16 MR. CANNING: Correct.

17 THE COURT: I'm prepared to allow this to proceed
18 without further need to come to court, assuming that
19 everybody's on board.

20 MR. CANNING: Thank you very much, Your Honor.

21 THE COURT: Fine.

22 MR. CANNING: I think that's all we had on our agenda
23 today. If nobody has anything else --

24 THE COURT: There's a note being passed, so we'll
25 find out what that's about.

1 MR. CANNING: My colleague here was going to remind
2 me to perhaps mention to the Court that we have set September
3 18th in the afternoon as the 341 hearing date. I guess the
4 U.S. Trustee is not here today, so I'll advise the Court that
5 that's the date we're going to do it. Actually, the same day
6 as the omnibus, to be efficient, and we're going to do it in
7 the afternoon at the U.S. Trustee's chambers.

8 THE COURT: Well, if everybody who wants to attend
9 can fit into the U.S. Trustee's room, that's great. Some 341s
10 have special large rooms reserved, and I gather you're not
11 expecting a big crowd.

12 MR. CANNING: Actually, Mr. Velez-Rivera felt that in
13 light of sort of the timing of where we are in the case, and
14 there's been such an act of participation by so many of the
15 committees, that he's cautiously optimistic that we'll be able
16 to do it over in his facilities. So we're certainly willing to
17 accommodate that.

18 THE COURT: Fine. Okay. I'll see you next time.

19 MR. CANNING: Thank you, Your Honor.

20 THE COURT: We're adjourned.

21 (Proceedings concluded at 10:30 a.m.)
22
23
24
25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I N D E X

RULINGS

	Page	Line
Motion for Authority to Enter Into a Printing Agreement with Local Insight Media Holdings, Inc. Granted	8	4
Motion by Debtors Retain Watson Wyatt & Company Granted	9	3
Motion to Assume Leases Granted	17	14
Motion to Reject Leases Granted	17	14
Motion to Grant Extension With Regard to Leases Granted	17	14
Motion for Authority to Enter Into Memorandum Of Agreement Amending a Printing Agreement with Parade Publications Granted	21	21

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

C E R T I F I C A T I O N

I, Esther Accardi, certify that the foregoing transcript is a true and accurate record of the proceedings.

ESTHER ACCARDI

Veritext LLC

200 Old Country Road

Suite 580

Mineola, New York 11501

Date: August 26, 2008