

Hearing Date: October 16, 2008 at 10:00 a.m.
Objection Deadline: October 14, 2008 at 4:00 p.m.

ARNOLD & PORTER LLP
399 Park Avenue
New York, New York 10022-4690
Telephone: (212) 715-1000
Facsimile: (212) 715-1399
Michael J. Canning
Joel M. Gross

*Counsel for the Debtors
and Debtors-in-Possession*

**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

**DEBTORS' SECOND MOTION FOR AN ORDER PURSUANT TO SECTION 365 OF
THE BANKRUPTCY CODE EXTENDING THE TIME WITHIN WHICH THE
DEBTORS MAY ASSUME OR REJECT CERTAIN UNEXPIRED LEASES OF
NONRESIDENTIAL REAL PROPERTY UPON CONSENT OF
APPLICABLE LANDLORDS**

The above-captioned debtors and debtors in possession (collectively, the "Debtors") move this Court (the "Motion") for the entry of an order substantially in the form of Exhibit A hereto, authorizing the extension of the time within which the Debtors may assume or reject certain unexpired leases of nonresidential real property upon the consent of the landlord counterparties to such leases.

**PARTIES RECEIVING THIS MOTION SHOULD CONSULT EXHIBIT B TO
DETERMINE WHETHER THEIR NAMES AND RESPECTIVE LEASES ARE
IDENTIFIED ON EXHIBIT B.**

In support of this Motion, the Debtors rely on the Declaration of Mario R. D'Arienzo submitted herewith. In further support of the Motion, 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 predicate for the relief requested herein is section 365 of title 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code"), and Rule 6006 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 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 was appointed (the "Creditors Committee").
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”).¹ 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.,² *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 and Pearson Education, (c) directories for Yellow Book USA, RH Donnelly, Windstream and

¹ The Canadian Court appointed Ernst & Young, Inc. to serve as Monitor for the Canadian Proceeding, and UBS Investment Bank is serving as a financial advisor to the Canadian Affiliates.

² These include Time, Fortune, Money, Sports Illustrated, People, Entertainment Weekly, Southern Living, Cooking Light and Coastal Living.

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.

Nonresidential Real Property Leases

10. In connection with the conduct of their businesses, certain of the Debtors are lessees or sublessees under approximately 44 unexpired leases and subleases of nonresidential real property (collectively, the “Leases”). The Leases primarily relate to the Debtors’ plants, warehouse and storage facilities, and distribution facilities.

11. Since the Petition Date, the Debtors have initiated a comprehensive review of the Leases in order to determine which Leases, in the Debtors’ business judgment, are necessary to their ongoing business operations and restructuring efforts, and which Leases should be rejected as unnecessary or burdensome.

12. To assist in this process, on April 1, 2008, the Debtors sought, and were granted by this Court, authority to retain and employ Prime Locations, LLC, George Comfort & Sons, Inc. and the CORE Network (collectively, the “Real Estate Consultants”) to provide real estate consulting services in support of the Debtors’ determination of which Leases should be assumed or rejected.

13. As part of their real estate consulting services, the Real Estate Consultants prepared an analysis of each of the Debtors’ Leases, which analyses allowed the Debtors to: (i) thoroughly review all of the Leases; (ii) engage in discussions with certain lessors, as appropriate, regarding the possible renegotiation of the terms and conditions of their respective Leases; and (iii) fully consider the assumption or rejection of the Leases consistent with their reorganization objectives.

14. As a result of these efforts, the Debtors determined, in the exercise of their business judgment and to the extent possible at this early juncture of their Chapter 11 Cases, to pursue one of the following four options with respect to each of the Leases: (i) assume such Lease in its current form; (ii) amend such Lease on terms more advantageous to the Debtors and otherwise acceptable to the applicable lessor, and assume such Lease as so amended, (iii) reject such Lease as not necessary to the Debtors' reorganization; or (iv) enter into agreements with specific lessors to extend the deadline by which the Debtors must elect whether to assume or reject the Leases with such lessors.

15. In this regard, on August 4, 2008, the Debtors' filed three separate motions with regards to these Leases seeking authority to: (1) assume certain of the Leases, either in the form of such Leases in effect on the Petition Date, or as amended by agreement among the Debtors and the applicable lessors during the pendency of these Chapter 11 Cases; (2) reject two of the Leases; and (3) extend, with the lessors' consent, the time by which the Debtors must elect to assume or reject certain other Leases (the "Extended Deadline Leases"). The Court granted each of these three motions on August 14, 2008 (Docket Nos. 955-57).³

16. On September 8, 2008, the Debtors' filed a motion seeking to assume two of the Extended Deadline Leases, as amended. The Court granted this motion and, on September 19, 2008, entered an order Authorizing the Debtors to Assume Certain Unexpired Nonresidential Real Property Leases, as Amended (Docket No. 1132).

³ In addition to the order on August 14, 2008, granting the Debtors' Second Omnibus Motion to Reject Certain Unexpired Real Property Leases, on March 20, 2008, this Court entered an order granting the Debtors' First Omnibus Motion to Reject Certain Unexpired Real Property Leases (Docket No. 439). As part of the First Omnibus Lease Rejection Motion, the Debtors rejected two nonresidential real estate leases that the Debtors determined were not necessary to their ongoing business operations or restructuring efforts. The Debtors also previously filed two other motions seeking the rejection of certain other nonresidential unexpired real property leases, and, orders approving those rejection motions were entered on May 22, 2008 (Docket No. 680) and July 17, 2008 (Docket No. 835).

17. There are currently four remaining Extended Deadline Leases (the “Remaining Extended Deadline Leases”), for which the deadline for assumption or rejection is October 17, 2008. As of the date of this Motion, each of the Remaining Extended Deadline Leases remains in effect, and has not expired or been terminated according to its terms. Thus, each of the Remaining Extended Deadline Leases constitutes an “unexpired lease,” subject to assumption or rejection under section 365 of the Bankruptcy Code on or before the applicable deadline.

18. The Debtors hereby seek entry of an order authorizing the further extension of the deadline by which the Debtors have to assume or reject the Remaining Extended Deadline Leases.

Relief Requested

19. Pursuant to section 365(d)(4) of the Bankruptcy Code, the Debtors hereby seek entry of an order authorizing the further extension of the deadline by which the Debtors have to assume or reject the Remaining Extended Deadline Leases, with such date for each lease extension deadline as set forth on Exhibit B (the “Lease Extension Deadline”).

Basis For Relief Requested

20. Section 365(d)(4) of the Bankruptcy Code provides for a 90-day extension to the 120-day statutory deadline to determine whether to assume or reject unexpired nonresidential real property leases. Given the complexity, size and scope of the Debtors’ businesses and their need to focus their efforts in the initial months of these Chapter 11 Cases on completing a smooth transition to operating under chapter 11, the Debtors sought a 90-day extension of the initial 120-day period-- until and through August 18, 2008-- to determine whether to assume or reject their nonresidential real property leases. The Court granted this motion on April 17, 2008 (Docket No. 577).

21. Pursuant to section 365(d)(4) of the Bankruptcy Code, this 210-day period to determine whether to assume or reject unexpired nonresidential real estate leases may only be further extended by an order of the Court with the consent of the applicable lessor(s).

22. The Court extended the Debtors' time to assume or reject the Remaining Extended Deadline Leases, when, as discussed above, on August 14, 2008, the Court granted the Debtors' motion to extend, with the lessors consent, the time by which the Debtors must elect to assume or reject certain Extended Deadline Leases until October 17, 2008.

23. The Debtors are now seeking a further extension of the time to assume or reject the Remaining Extended Deadline Leases set forth on Exhibit B because the Debtors are still determining whether the respective property is necessary to a successful reorganization of their affairs and/or the Debtors and the applicable lessors are engaged in discussions regarding certain modifications and amendments to the Remaining Extended Deadline Leases.

24. To provide additional time to review the Remaining Extended Deadline Leases and, where appropriate, to negotiate and document amendments thereto, the Debtors have obtained the written consent of the applicable lessors with respect to the Remaining Extended Deadline Leases set forth on Exhibit B so as to further extend the deadline by which the Debtors must elect to either assume or reject such Remaining Extended Deadline Leases.

25. The Debtors therefore seek this Court's approval to establish the Lease Extension Deadline, in each case as set forth on Exhibit B, as the new deadline by which the Debtors must elect to either assume or reject the Remaining Extended Deadline Leases. Prior to the expiration of the applicable Lease Extension Deadline, the Debtors intend to seek authorization to either assume or reject the Remaining Extended Deadline Leases, subject to the Debtors' right to seek a

further extension of the deadline to assume or reject any of the Remaining Extended Deadline Leases, with appropriate lessor consent.

26. Prior to the Lease Extension Deadline applicable to each of the Remaining Extended Deadline Leases, the Debtors will continue to timely perform all of their obligations under such Remaining Extended Deadline Leases, as required by section 365(d)(3) of the Bankruptcy Code. Accordingly, approval of the Lease Extension Deadline, as applicable to each of the Remaining Extended Deadline Leases, is appropriate and warranted.

Notice

27. Notice of this Motion has been provided to (i) all parties listed on Exhibit B hereto and (ii) all parties on the Notice List as set forth in the Case Management Order. A copy of the Motion is also freely available on the website of the Debtors' claim and noticing agent, Donlin, Recano & Company, Inc., at www.donlinrecano.com.

No Prior Request

28. No prior motion for the relief requested herein has been made to this or any other court, other than the motions described in paragraphs 15 and 20.

WHEREFORE, the Debtors respectfully request the entry of an order, substantially in the form attached hereto as Exhibit A, (A) authorizing the Debtors to extend the date to assume or reject certain nonresidential real property leases as set forth on Exhibit B; and (B) granting such other and further relief to the Debtors as the Court may deem proper.

Dated: October 6, 2008
New York, New York

Respectfully submitted,

/s/ Michael J. Canning
Michael J. Canning
ARNOLD & PORTER LLP
399 Park Avenue
New York, New York 10022-4690
Telephone: (212) 715-1000
Facsimile: (212) 715-1399

*Counsel for the Debtors
and Debtors In Possession*

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 PURSUANT TO SECTION 365 OF THE BANKRUPTCY CODE
EXTENDING THE TIME WITHIN WHICH THE DEBTORS MAY
ASSUME OR REJECT CERTAIN UNEXPIRED LEASES OF
NONRESIDENTIAL REAL PROPERTY UPON CONSENT OF
APPLICABLE LANDLORDS**

Upon the motion (the “Motion”)¹ of the above-captioned debtors (collectively, the “Debtors”) for entry of an Order authorizing the Debtors to extend the time to assume or reject nonresidential real property leases which are described in Schedule I attached to this Order; the Court having reviewed the Motion and considered the statements of counsel at a hearing before the Court (the “Hearing”); the Court having found that (a) it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (b) this proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), (c) venue of this proceeding and the Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409, (d) notice of the Motion was appropriate under the circumstances and (e) extending the deadline to assume or reject the leases pursuant to section 365 of the Bankruptcy Code is in the best interests of the Debtors’ bankruptcy estates; and the

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion

Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish grounds for the relief granted herein;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. Pursuant to section 365(d)(4) of the Bankruptcy Code, the time period within which the Debtors must assume or reject each of the Remaining Extended Deadline Leases is extended until the applicable Lease Extension Deadline, all as set forth on Schedule I attached hereto, without prejudice to the Debtors' rights to seek further extension upon consent of the applicable lessor(s).
3. The terms and conditions of this order shall be immediately effective and enforceable upon its entry.
4. The Debtors are authorized to take all such actions as are necessary or appropriate to implement the terms of this Order.
5. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: October _____, 2008

United States Bankruptcy Judge

Schedule I: Remaining Extended Deadline Leases

Lessor Name and Address(es)	Name of Debtor Party to Lease/Sublease	Description and Location of Premises	Lease Extension Deadline
BLC Development Co 5555 Murray Road Cincinnati, OH 45227 Attn: Jeffrey W. Coffaro	Quebecor World Johnson & Hardin Co	4333 Bethany Road Mason, OH 76,800 Approx Sq Ft	Through and including December 31, 2008
Industrial Development Board of Dyer County c/o John M. Lannom, Esq. 422 McGaughey Street, P.O. Box 1799 Dyersburg, TN 38024 Hal Boyd, esq. c/o 422 McGaughey Street, P.O. Box 1729, Dyersburg, Tennessee 38024	QW Memphis Corp.	2030 Sylvan Road Dyersburg, TN	Through and including December 15, 2008
Pfizer Inc. 235 E 42nd Street New York, NY 10017 Pfizer Inc. c/o Nancy Ann Connery Schoeman, Updike & Kaufman, LLP 60 East 42nd Street New York, NY 10165	Quebecor World (USA) Inc.	150 East 42nd Street 11th Fl. New York, NY 32,000 Approx Sq Ft	Through and including December 17, 2008
Quebecor Printing RE, Inc. 340 Pemberwick Road Greenwich, CT 06831	RAI, Inc.	12821 West Bluemound Road Brookfield, WI	Through and including December 31, 2008

Exhibit B: Remaining Extended Deadline Leases

Lessor Name and Address(es)	Name of Debtor Party to Lease/Sublease	Description and Location of Premises	Lease Extension Deadline
BLC Development Co 5555 Murray Road Cincinnati, OH 45227 Attn: Jeffrey W. Coffaro	Quebecor World Johnson & Hardin Co	4333 Bethany Road Mason, OH 76,800 Approx Sq Ft	Through and including December 31, 2008
Industrial Development Board of Dyer County c/o John M. Lannom, Esq. 422 McGaughey Street, P.O. Box 1799 Dyersburg, TN 38024 Hal Boyd, esq. c/o 422 McGaughey Street, P.O. Box 1729, Dyersburg, Tennessee 38024	QW Memphis Corp.	2030 Sylvan Road Dyersburg, TN	Through and including December 15, 2008
Pfizer Inc. 235 E 42nd Street New York, NY 10017 Pfizer Inc. c/o Nancy Ann Connery Schoeman, Updike & Kaufman, LLP 60 East 42nd Street New York, NY 10165	Quebecor World (USA) Inc.	150 East 42nd Street 11th Fl. New York, NY 32,000 Approx Sq Ft	Through and including December 17, 2008
Quebecor Printing RE, Inc. 340 Pemberwick Road Greenwich, CT 06831	RAI, Inc.	12821 West Bluemound Road Brookfield, WI	Through and including December 31, 2008