

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

Case No. 08-10152-jmp

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In the Matter of:

QUEBECOR WORLD (USA) INC.,

Debtor.

- - - - -x

United States Bankruptcy Court
One Bowling Green
New York, New York

September 29, 2008
10:04 AM

B E F O R E:

HON. JAMES M. PECK

U.S. BANKRUPTCY JUDGE

1 HEARING re Motion Filed by the Debtors for an Order Setting
2 Final Date to File Proofs of Claim, Establishing Procedures for
3 Filing Proofs and Claim and Seeking Approval of Cross-Border
4 Protocol.

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25 Transcribed by: Pnina Eilberg

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

ARNOLD & PORTER LLP

Attorneys for Debtor

399 Park Avenue

New York, NY 10022

BY: MICHAEL J. CANNING, ESQ.

PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP

Attorneys for Ad Hoc Group of Noteholders

1285 Avenue of the Americas

New York, NY 10019

BY: ELIZABETH R. MCCOLM, ESQ.

ALLEN & OVERY LLP

Attorneys for Monitor

1221 Avenue of the Americas

New York, NY 10020

BY: KEN COLEMAN, ESQ.

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LATHAM & WATKINS LLP

Attorneys for Royal Bank of Canada as Agent for

Prepetition Bank Syndicate

233 South Wacker Drive

Chicago, IL 60606

BY: PETER P. KNIGHT, ESQ.

UNITED STATES DEPARTMENT OF JUSTICE

Office of the United States Trustee

33 Whitehall Street

New York, NY 10004

BY: ANDREW VELEZ-RIVERA, ESQ.

AKIN GUMP STRAUSS HAUER & FELD LLP

Attorneys for Official Committee of Unsecured Creditors

590 Madison Avenue

New York, NY 10022

BY: BRAD M. KAHN, ESQ.

DAVID H. BOTTER, ESQ.

P R O C E E D I N G S

1
2 JUDGE PECK: Please be seated. Good morning and good
3 morning, Justice Monjon.

4 JUSTICE MONJON: Good morning, Judge Peck. We will
5 call this court to order in Montreal.

6 (Video Conference from Canada, Indiscernible)

7 JUSTICE MONJON: Justice Peck, I presume that you
8 have a similar motion before you. Would you want to call that
9 motion before yourself and ask counsel present in your room to
10 identify themselves?

11 JUDGE PECK: I'm happy to do that. It is, in fact,
12 the only matter which is on the docket this morning in the
13 Quebecor World (USA) case. But I will take appearances so that
14 everyone in Montreal is aware of who's here in New York.

15 MR. CANNING: Good morning Judge Peck and
16 Justice Monjon. I'm Michael Canning from the firm of Arnold
17 and Porter representing the U.S. debtors. And I have with me
18 today my associate, Rosa Evergreen and the assistant general
19 counsel for Quebecor Word, Alora Norton (ph.)

20 MR. BOTTER: Good morning Judge Peck, good morning
21 Justice Monjon. David Botter, Akin Gump Strauss Hauer & Feld
22 on behalf of the official committee of unsecured creditors. I
23 also have with me my colleague, Brad Kahn.

24 MR. COLEMAN: Good morning, Your Honor. Good morning
25 Justice Monjon. Ken Coleman of Allen & Overy on behalf of

1 Ernst & Young Inc, the monitor.

2 MR. VELEZ-RIVERA: Good morning, Judge Peck. Good
3 morning Justice Monjon. Andrew Velez-Rivera for the United
4 States Trustee.

5 MR. KNIGHT: Good morning, Your Honor. Good morning
6 Justice Monjon. Peter Knight, Latham & Watkins on behalf of
7 Royal Bank of Canada as prepetition bank syndicate.

8 MS. MCCOLM: Good morning Judge Peck, Justice Monjon,
9 Elizabeth McColm from the law firm of Paul, Weiss, Rifkind,
10 Wharton & Garrison on behalf of the ad hoc group of
11 noteholders.

12 THE COURT: Justice Monjon, I think that takes care
13 of the appearances in New York.

14 JUSTICE MONJON: Thank you.

15 (Video Conference from Canada, Indiscernible)

16 JUSTICE MONJON: Judge Peck, I would presume that it
17 would now be appropriate to hear counsel for the monitor.

18 JUDGE PECK: I think that's right. Mr. Coleman?

19 MR. COLEMAN: Thank you, Your Honor. Thank you,
20 Justice Monjon. I'll be very brief and happy to try to answer
21 any questions.

22 In order to insure that this is a comprehensive
23 claims process for QWI and to insure that the Canadian claims
24 process is binding in the United States, it's been decided that
25 it would be most appropriate for the monitor to seek Chapter 15

1 relief in respect of the QWI proceeding only. And that would
2 be a very simple petition under Chapter 15, seeking recognition
3 of the CCAA proceeding for QWI, which we believe is undoubtedly
4 a foreign main proceeding under our Chapter 15. And
5 specifically recognition of the Canadian claims process.

6 We would seek to file that petition on behalf of the
7 monitor as soon as the Canadian court order authorizing the
8 monitor to commence that is available.

9 There are a couple of very basic procedural
10 requirements behind that. One, of course, is venue. And
11 unlike plenary cases in the United States there is no
12 affiliates rule for Chapter 15 cases. And instead we'd be
13 relying on the venue provision in XXVIII U.S.C., Section
14 1410(3) which allows for venue in the interest of justice,
15 convenience of the parties which, undoubtedly, Your Honor is in
16 this court before Your Honor.

17 The second thing we'd be seeking initially, clearly
18 if there would be no need for any, sort of, interim, emergency
19 relief in this context. The only thing we'd be seeking from
20 Your Honor is a very basic order authorizing the form of notice
21 to be served together with the Canadian claims material, which
22 I understand will be served on or about October 14. And we
23 would seek to include notice of the Chapter 15 within that
24 claims package on the theory that that is the most informative
25 way to get the message out to creditors about the pendency of

1 the Canadian claims process as well as the request for
2 ancillary relief in this court.

3 Then of course, by rule, we have to allow twenty days
4 notice of the Chapter 15 which would put us on or about
5 November 3rd, 4th or 5th for a hearing before Your Honor on
6 recognition; again, which we don't expect to be the least bit
7 controversial. And we would envision that the order itself
8 would simply recognize the proceeding and then specifically
9 provide for enforcement in the United States of the Canadian
10 claims process for QWI only.

11 And those are my comments. I'm happy to answer any
12 question. This is meant to be largely a procedural rather than
13 a substantive process.

14 JUDGE PECK: I have one question. It's obvious that
15 the principal purpose of the Chapter 15 is to deal with the
16 Canadian claims process. However, is it possible that the
17 Chapter 15, once recognized, will have other applications and
18 is there any contemplation as to what those other applications
19 might be?

20 MR. COLEMAN: Yes, Your Honor. It is hopeful that
21 there will come a time when there is a plan, a CCAA plan or
22 plans for the entire group of companies including QWI. And at
23 that point it would be important to have that likewise
24 recognized in the United States. So that is one hopeful and
25 intended purpose of the Chapter 15. But at the moment there is

1 no other purpose envisioned for it.

2 JUDGE PECK: All right. Thank you.

3 MR. COLEMAN: Justice Monjon, I'd be happy to answer
4 any questions from Your Honor.

5 JUSTICE MONJON: I'm satisfied with the
6 representations made on the motion and unless there is any
7 comment by any interested party and obviously any comment from
8 you, Judge Peck, I would be prepared to grant the motion which
9 is before me.

10 JUDGE PECK: I'm prepared to grant the motion which
11 is before me as well. And as to the recognition of the Chapter
12 15, that's something to be dealt with when listed for hearing
13 after notice to the parties. But based upon what has been
14 represented, I doubt that it will be a controversial
15 proceeding.

16 MR. COLEMAN: Thank you, Your Honor. I would, if I
17 may, suggest that once we file the petition we would then work
18 out dates with your chambers for service of notice and a
19 hearing on recognition.

20 JUDGE PECK: Fine.

21 MR. COLEMAN: Thank you very much.

22 JUDGE PECK: We'll coordinate dates.

23 JUDGE COLEMAN: Thank you.

24 JUDGE PECK: Is there more for this morning?

25 JUSTICE MONJON: I'm sorry?

1 JUDGE PECK: I just asked if there was more for this
2 morning that relates to this joint protocol hearing.

3 MR. CANNING: On behalf of the U.S. debtors, Mike
4 Canning again. I guess Mr. Tay (ph.) has actually covered, I
5 think, most of the matters that are relevant in connection with
6 the approval of the order here in the U.S. as well.

7 You know, once again this has been a collective
8 effort between the U.S. debtors and QWI, the monitor and all
9 three of the committees. And I think all would agree that the
10 procedures that are being implemented here today are thorough
11 and fair, comprehensive and will insure that all creditors
12 fully participate in the claims administration process.

13 The debtor, the U.S. debtors certainly intend, as
14 they have in all other aspects of this case, to work closely
15 with all three of the committees in connection with a
16 determination of claims. I know particularly the official
17 committee of unsecured creditors is sensitive to the allowance
18 of the claims for what we refer to as the mega claims, which
19 relate to the pre-petition bank claims and the bond claims as
20 well as claims of society generale. And we certainly intend to
21 be inclusive in the determination of those claims.

22 The only other thing that I think I might add is just
23 to reflect for the justices a couple of very small
24 modifications to the U.S. order and then one modification to
25 the claims protocol, from those documents that were previously

1 filed in the U.S. proceeding.

2 At the request of counsel for the bank, the
3 prepetition lenders, we've made two small modifications for
4 clarification purposes in the U.S. order. One is to define the
5 prepetition agent as including successors to the prepetition
6 agent. And also to clarify that the agent cannot only file a
7 comprehensive proof of claim on behalf of all of the
8 participants in that facility but also would be authorized to
9 adjudicate the claims on behalf of those participants.

10 With respect to the protocol, the only change that
11 has been made is to put in the parenthetical and some related
12 language with respect to the determination of joint claim. That
13 to the extent that the protocol provided that with respect to
14 claim for which there were objections, where there were claims
15 in both the U.S. and Canada it allowed for the committee and
16 the monitor and the debtors to, sort of, select which
17 jurisdiction those claims -- the objections to those claims
18 would be heard in. And we put in some parenthetical language
19 that made it clear that in connection with hearing that
20 objection all parties in interest could participate including
21 with respect to whether or not the selection of that particular
22 court to U.S. or the Canadian court was appropriate.

23 So with those changes, I think the orders are as
24 presented previously. And certainly here in the U.S. we would
25 ask the Court to approve our motion and to grant the order

1 together with the approval of the cross-border protocol.

2 JUDGE PECK: Certainly in the U.S. proceeding I'm
3 prepared to grant the motion and I appreciate the
4 clarifications made by Mr. Canning.

5 (Video Conference from Canada, Indiscernible)

6 JUDGE MONJON: The motion for an order establishing
7 the claims procedure and approving the cross border claims
8 protocol before the Superior Court, Commercial Division of
9 Quebec is granted.

10 As for its conclusions and as for the claims
11 procedure order and the cross border claims protocol that I am
12 signing this day.

13 JUDGE PECK: And in the United States that will be
14 done by electronic signature in due course. But I confirm on
15 the record that I so approve it.

16 JUSTICE MONJON: Thank you all. Thank you, Judge
17 Peck.

18 JUDGE PECK: Thank you, Justice Monjon.

19 JUSTICE MONJON: I presume that this is the second of
20 perhaps many more joint hearings and I look forward to the next
21 one.

22 JUDGE PECK: I do as well.

23 JUSTICE MONJON: Court is adjourned in Montreal.

24 JUDGE PECK: We're adjourned in New York.

25 (Proceedings Concluded at 10:22 AM)

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I N D E X

RULINGS

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

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

Pnina Eilberg

Veritext LLC

200 Old Country Road

Suite 580

Mineola, NY 11501

Date: October 2, 2008