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Secretary, Department of Revenue,  
State of Louisiana*

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

_____ )	
In re: )	Chapter 11
_____ )	
QUEBECOR WORLD (USA) INC., <i>et al.</i> , )	Case No. 08-10152 (JMP)
_____ )	(Jointly Administered)
Debtors. )	
_____ )	Hon. James M. Peck

**STIPULATION AND CONSENT ORDER BETWEEN DEBTORS AND THE STATE OF LOUISIANA REGARDING DEBTORS' PREPETITION SALES TAX LIABILITY PURSUANT TO AMENDED ORDER AUTHORIZING THE DEBTORS TO (A) IMPLEMENT PROCEDURES TO DETERMINE PREPETITION AND POSTPETITION SALES TAX LIABILITIES OF CERTAIN DEBTORS PURSUANT TO STATE AND LOCAL VOLUNTARY DISCLOSURE PROCEDURES AND (B) DETERMINE THE AMOUNT OF PREPETITION AND POSTPETITION SALES TAX LIABILITY OF CERTAIN DEBTORS**

This stipulation (the "Stipulation") is made on the 5th day of May, 2010, by and between Quebecor World (USA) Inc. and its affiliated debtors and debtors-in-possession (collectively, the

“**Debtors**”) and Cynthia Bridges, Secretary of the Louisiana Department of Revenue, State of Louisiana (“**Department**”) in order to establish the liquidated and allowed amount of Louisiana’s prepetition claims for certain taxes, as set forth herein.

A. On January 21, 2008 (the “**Petition Date**”), each of the Debtors filed a petition under chapter 11 of the United States Bankruptcy Code.

B. On October 17, 2008 the Debtors filed a *Motion of the Debtors pursuant to 11 U.S.C. §§ 105(a), 502 and 505 and Federal Rule of Bankruptcy Procedure 9019 to (A) Implement Procedures to Determine Prepetition and Postpetition Sales Tax Liabilities of Certain Debtors pursuant to State and Local Voluntary Disclosure Procedures and (b) Determine the Amount of Prepetition and Postpetition Sales Tax Liability of Certain Debtors* (the “**Sales Tax Motion**”).

C. The Court granted the Sales Tax Motion on October 30, 2008, subject to certain modifications agreed to between the Debtors various taxing authorities. On November 14, 2008, the Court entered an *Amended Order Authorizing the Debtors to (A) Implement Procedures to Determine Prepetition and Postpetition Sales Tax Liabilities of Certain Debtors pursuant to State and Local Voluntary Disclosure Procedures and (b) Determine the Amount of Prepetition and Postpetition Sales Tax Liability of Certain Debtors* (the “**Sales Tax Order**”).

D. Pursuant to the Sales Tax Order, the Court approved certain Voluntary Tax Disclosure Procedures (as defined in the Sales Tax Motion) for the determination of the Debtors’ prepetition and postpetition sales tax obligations to Taxing Authorities that were subject to the Sales Tax Motion. Pursuant to the procedures approved in the Sales Tax Order, the Department and the Debtors agreed to subsequent extensions of the Department’s deadline to object to the amount of the Department’s prepetition and postpetition sales tax claims and have continued

discussions regarding the final determination of the amount of Louisiana's sales tax claims pursuant to the Sales Tax Order.

E. On June 18, 2009, the Debtors and the Department entered into a *Stipulation between Debtors and the State of Louisiana Department of Revenue regarding Debtors' Postpetition Sales Tax Compliance in connection with Motion of the Debtors Pursuant to 11 U.S.C. §§ 105(a), 502 and 505 and Federal Rule of Bankruptcy Procedure 9019 to (a) Implement Procedures to Determine Prepetition and Postpetition Sales Tax Liabilities of Certain Debtors pursuant to State and Local Voluntary Disclosure Procedures and (b) Determine the Amount of Prepetition and Postpetition Sales Tax Liability of Certain Debtors* (Docket No. 1801) (the "**Postpetition Tax Stipulation**").

F. Following discussions among the Debtors and the Department regarding the resolution of the Debtors' prepetition sales tax obligations on account of those prepetition taxes described in the Sales Tax Motion and subject to the Sales Tax Order (the "**Louisiana Prepetition Tax Claims**"), the Debtors and the Department have agreed to resolve the amount of the Louisiana Prepetition Tax Claims on the terms and conditions provided for herein.

NOW, THEREFORE, subject to approval by this Court, the Debtors and the Department agree as follows:

1. Having reviewed the Sales Tax Motion, the Sales Tax Order and such additional materials as have been provided by the Debtors to the Department in the course of the parties' discussions, the Department agrees that the allowance of the Louisiana Prepetition Tax Claims in the amount of \$248,128.39, as set forth in the Sales Tax Order, as an allowed prepetition unsecured claim entitled to priority pursuant to 11 U.S.C. § 507(a)(8)(C), shall be in full release

and discharge of any prepetition sales tax claims of the Department against the Debtors on account of the Louisiana Prepetition Tax Claims.

2. In consideration of the allowance of the Louisiana Prepetition Tax Claims as set forth herein and pursuant to the Sales Tax Order, the proofs of claim set forth on Exhibit A hereto, and any other claims that were filed in the Debtors' Chapter 11 Cases and which relate to the Louisiana Prepetition Tax Claims, are hereby disallowed and expunged.

3. This Stipulation shall be binding upon the representatives, successors and assigns of the parties hereto.

4. This Stipulation may only be amended or otherwise modified by a signed writing executed by the parties.

5. This Stipulation may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument, and it shall constitute sufficient proof of this Stipulation to present copies or facsimiles signed by the parties.

6. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Stipulation.

Dated: May 5, 2010.

**[Signature Page Follows]**

THE STATE OF LOUISIANA DEPARTMENT  
OF REVENUE

By its attorneys,

/s/ Debra Morris  
Debra Morris

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THE DEBTORS and DEBTORS-IN-POSSESSION

By their attorneys,

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SO ORDERED:

Dated: New York, New York  
May 26, 2010

s/ James M. Peck  
Honorable James M. Peck  
United States Bankruptcy Judge

**Exhibit A**

**Proofs of Claim to Be Disallowed and Expunged:**

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