

PRESENTMENT DATE AND TIME: July 26, 2010 at 12:00 noon
OBJECTION DEADLINE: July 26, 2010 at 12:00 noon

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Michael J. Canning

Counsel for the Reorganized Debtors

**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

**NOTICE OF PRESENTMENT OF
STIPULATION AND CONSENT ORDER BETWEEN
DEBTORS AND THE NEW YORK STATE DEPARTMENT
OF TAXATION AND FINANCE REGARDING DEBTORS'
PREPETITION AND POSTPETITION SALES TAX
LIABILITY AND RESOLUTION OF CLAIMS 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**

PLEASE TAKE NOTICE that Debtors will present the attached Stipulation and Consent Order Between Debtors and the New York State Department of Taxation and Finance Regarding Debtors' Prepetition and Postpetition Sales Tax Liability and Resolution of Claims Pursuant to Amended Order Authorizing the Debtors to (A) Implement Procedures to Determine Prepetition

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 to the Honorable James M. Peck for signature on July 26, 2010, at 12:00 noon.

PLEASE TAKE FURTHER NOTICE that objections, if any, to the Proposed Stipulation and Consent Order must be made in writing and received in the chambers of the Honorable James M. Peck, United States Bankruptcy Judge and by the undersigned not later than 12:00 noon on July 26, 2010. Unless objections are received by that time, the Stipulation and Consent Order may be signed.

PLEASE TAKE FURTHER NOTICE that if a written objection is timely filed and the Court determines that a hearing is necessary, a hearing will be held at the United States Bankruptcy Court for the Southern District of New York on a date to be determined by the Court. The moving and objecting parties are required to attend the hearing, and failure to appear may result in relief being granted or denied upon default.

Dated: New York, New York
July 15, 2010

Respectfully submitted,

/s/ Michael J. Canning
Michael J. Canning
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To: All Parties Included in the Service List

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Department of Taxation and Finance*

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 NEW YORK STATE DEPARTMENT OF TAXATION AND FINANCE REGARDING DEBTORS' PREPETITION AND POSTPETITION SALES TAX LIABILITY AND RESOLUTION OF CLAIMS 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 14th day of July, 2010, by and between Quebecor World (USA) Inc. and its affiliated debtors and debtors-in-possession (collectively, the "**Reorganized Debtors**") and the New York State Department of Taxation and Finance ("**New York**") in order to establish the liquidated and allowed amount of New York's prepetition and postpetition 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, 2009 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* (Docket No. 1219) (the “**Sales Tax Motion**”).

C. The Court granted the Sales Tax Motion on October 30, 2008, and on November 14, 2008 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* (Docket No. 1289) (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.

E. On December 15, 2008, New York filed the *State of New York’s Notice of Initial Extension of Objection Deadline pursuant to Amended Order Authorizing Procedures to Determine Debtors’ Prepetition and Postpetition Sales Tax Liabilities* (Docket No. 1422).

F. On January 12, 2009, New York filed its *Objection by the New York State Department of Taxation and Finance to Debtors’ Proposed VDA Amount Applicable to the State of New York pursuant to the Amended Order Authorizing Procedures to Determine Debtors’*

Prepetition and Postpetition Sales Tax Liabilities (the “**New York Objection**”), pursuant to which New York objected to certain relief requested in the Sales Tax Motion.

G. Pursuant to the procedures approved in the Sales Tax Order, New York and the Debtors exchanged information and engaged in discussions with respect to the amount of New York’s prepetition and postpetition sales tax claims, and have continued such discussions regarding the final determination of the amount of New York’s prepetition and postpetition sales tax claims pursuant to the Sales Tax Order (the “**New York VDA Sales Tax Claims**”).

H. The Third Amended Joint Plan of Reorganization of Quebecor World (USA) Inc. and Certain Affiliated Debtors and Debtors-in-Possession (the “**Plan**”) was confirmed by order dated July 2, 2009 and became effective on July 21, 2009.

I. The Debtors and New York have agreed to resolve the amount of the New York VDA Sales Tax Claims on the terms and conditions provided for herein.

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

1. New York is granted an allowed, unsecured claim in the amount of \$1,181,197, which claim shall be entitled to treatment as a priority tax claim under section 507(a)(8) of the Bankruptcy Code, in accordance with the Sales Tax Order and in full satisfaction of all of the Debtors’ obligations with respect to the prepetition New York VDA Sales Tax Claims (the “**Prepetition Claim**”). The Prepetition Claim shall be paid as a single cash payment within ten (10) business days of Court approval of this Stipulation.

2. New York is granted an allowed administrative priority claim in the amount of \$563,288, in accordance with the Sales Tax Order and in full satisfaction of all of the Debtors’ obligations with respect to the postpetition New York VDA Sales Tax Claims (the “**Postpetition**

Claim”). The Postpetition Claim shall be paid as a single cash payment within ten (10) business days of Court approval of this Stipulation.

3. New York will withdraw all proofs of claim that relate to the New York VDA Sales Tax Claims, including but not limited to the claims set forth on Schedule A to this Stipulation.

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

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

6. 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.

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

Dated: July 14, 2010.

[SIGNATURE PAGE FOLLOWS]

NEW YORK STATE DEPARTMENT OF
TAXATION AND FINANCE

By: /s/ David Demeter

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*Counsel to the New York State
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THE DEBTORS and DEBTORS-IN-POSSESSION

By their attorneys,

/s/ Michael J. Canning

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SO ORDERED.

New York, New York
____, 2010

United States Bankruptcy Judge