

**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

**STIPULATION AND CONSENT ORDER**

This stipulation and consent order (the “Stipulation”) is entered into and agreed to by and between the debtors in the above-captioned cases (the “Debtors” or the “Reorganized Debtors,” as applicable), and Myllykoski North America, Madison Paper Industries, Madison Paper Company (Alsip Location), and Myllykoski Sales GMBH (collectively, “Myllykoski,” and together with the Debtors, the “Parties”).

**WHEREAS**, on January 21, 2008 (the “Petition Date”), the Debtors filed their voluntary petitions in this Court for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The Debtors’ cases (the “Chapter 11 Cases”) are being jointly administered pursuant to an order of this Court, and pursuant to Sections 1107 and 1108 of the Bankruptcy Code; and

**WHEREAS**, on January 31, 2008, an Official Committee of Unsecured Creditors (the “Creditors’ Committee”) was appointed in these Chapter 11 Cases; and

**WHEREAS**, on May 18, 2009, the Debtors filed their Third Amended Joint Plan of Reorganization of Quebecor World (USA) Inc. and Certain Affiliated Debtors and Debtors-In-Possession (as amended or supplemented, the “Plan”); and

**WHEREAS**, on July 2, 2009, this Court entered its Findings of Fact, Conclusions of Law and Order Confirming the Third Amended Joint Plan of Reorganization of Quebecor World (USA) Inc. and Certain Affiliated Debtors and Debtors-In-Possession, dated July 1, 2009, as modified (the “Confirmation Order”); and

**WHEREAS**, on July 21, 2009, the Plan became effective (the “Effective Date”); and

**WHEREAS**, pursuant to the Plan, on the Effective Date, a Joint Claims Oversight Committee, as defined and provided for in the Plan, was formed; and

**WHEREAS**, in connection with the Debtors’ emergence from these Chapter 11 Cases, Quebecor World (USA) Inc. changed its name to World Color (USA) Corp. and each of the affiliated Debtors changed its name to adopt the “World Color” name instead of the “Quebecor” or “Quebecor World” name, and, similarly, Quebecor World Inc. changed its name to World Color Press Inc. Nevertheless, pursuant to section 6.4(c) of the Plan, the Reorganized Debtors retained their “Quebecor” names for purposes of these Chapter 11 Cases in all respects; and

**WHEREAS**, Myllykoski is a supplier of certain paper products and has a long-standing trade relationship with the Reorganized Debtors; and

**WHEREAS**, on or about January 30, 2008, Myllykoski sent the Debtors a reclamation demand in the amount of \$ 1,657,061.50 for goods allegedly received by the Debtors from Myllykoski within 45 days prior to the Petition Date (the “Reclamation Demand”); and

**WHEREAS**, Myllykoski filed numerous proofs of claim against the Debtors in these Chapter 11 Cases for goods allegedly received by the Debtors from Myllykoski (Claim Nos. 7624-49 and 9324-33) and such claims seek, as applicable, unsecured, priority, and administrative status (the “Proofs of Claim”); and

**WHEREAS**, Myllykoski alleges the Debtors owe Myllykoski approximately \$ 1,674,425.30 on account of all products shipped by Myllykoski to the Debtors prior to the Petition Date, including, but not limited to, amounts set forth in the invoices giving rise to the Reclamation Demand, the Proofs of Claim, and on account of any and all goods shipped to the Debtors prior the Petition Date but received subsequent thereto (collectively, the “Pre-Petition Claims”); and

**WHEREAS**, the Debtors allege that Myllykoski owes \$ 195,903.28 in credits and quality claims on account of purchases from Myllykoski prior to the Petition Date (collectively, the “Credits”); and

**WHEREAS**, Myllykoski and the Reorganized Debtors have agreed to resolve the Pre-Petition Claims and Credits on the terms and conditions set forth in this Stipulation, including specifically the setoff of the Credits owed to the Debtors by Myllykoski against the pre-petition amounts the Debtors owe to Myllykoski, and to otherwise resolve the Pre-Petition Claims and Credits.

**NOW THEREFORE**, the Parties hereby agree and stipulate as follows:

1. The Parties hereby agree to set-off \$ 85,651.97 of the Credits against the obligations of the Debtors in respect of Claim No. 7635, such that the Parties agree that Claim No. 7635 shall be an allowed administrative claim in the aggregate amount of \$ 1,232,461.73 (the “Madison Paper Industries Allowed Claim”).
2. The Parties hereby further agree that the claim of Myllykoski Sales GMBH, Claim No. 9326, shall be an allowed administrative claim in the amount of \$ 336,695.20 (the “Myllykoski Sales GMBH Allowed Claim,” and collectively with the Madison Paper Industries Allowed Claim, the “Administrative Claims”).

3. The Parties hereby further agree as follows:

- (a) Subject to Madison Paper Company (Alsip Location) (the “Alsip Location”) agreeing to remit the Credit Remittance pursuant to paragraph 3(c) below, the Parties agree that Madison Paper Company (Alsip Location) (the “Alsip Location”) is owed \$ 19,616.40 in respect of Claim No. 7645 (the “Alsip Claim”) on behalf of pre-petition claims against the Debtors;
- (b) subject to the confirmation provided for below in paragraph 3(c) that the defective paper identified by Quality Claim Nos. DY02407 (subsequently renumbered as DY 03107) and DY00208 (the “Defective Paper”) is held by the Reorganized Debtors at 2030 Sylvan Rd, Dyersburg, TN 38024 (the “Location”) and remains in substantially the same condition as when it was originally delivered to the Debtors, the Alsip Location owes the Debtors \$110,251.31 in Credits (the “Paper Credits”);
- (c) unless otherwise agreed to by the Parties in writing, no later than fifteen (15) business days after the date on which Debtors’ counsel has provided written notice to Myllykoski counsel that the Order approving this Stipulation has become final and non-appealable, the Alsip Location, or its designee, shall:
  - (i) confirm that the Defective Paper is at the Location and is in substantially the same condition as when it was originally delivered to the Debtors; and

(ii) remit \$ 90,634.91 in good funds to World Color (USA), LLC, whose tax identification number is 27-0480416 (the “Credit Remittance”);

(d) upon receipt of the Credit Remittance, World Color (USA) Corp. shall release to the Alsip Location, or its designee, the Defective Paper;

(e) the Parties agree to cooperate with each other to (i) arrange for timely completion of the Defective Paper inspection provided for above, and (ii) enable the Alsip Location, or its designee, to remove the Defective Paper from the Location upon delivery of the Credit Remittance;

(f) if the Defective Paper is not at the Location and in substantially the same condition as when it was originally delivered to the Debtors, then unless the Alsip Location waives such condition and thereafter timely tenders the Credit Remittance, all rights, claims and defenses of the Parties with respect to the Alsip Claim and the Paper Credits shall be restored as if this Stipulation had never been executed; and

(g) upon World Color (USA), LLC’s receipt of the Credit Remittance: (i) the Alsip Claim shall be disallowed and expunged; and (ii) the Paper Credits shall be deemed to have been fully and finally satisfied.

4. The Administrative Claims shall be paid pursuant to the terms of the Plan or as otherwise permitted by order of the Bankruptcy Court. In reaching agreement with Myllykoski on the global resolution of its Pre-Petition Claims, each of the Joint Claims Oversight Committee, on behalf of creditors, and the Litigation Trust, which is currently

prosecuting the estate's avoidance actions, has approved and consented to the allowance and payment of the Administrative Claims.

5. This Stipulation resolves in all respects the Pre-Petition Claims, the Reclamation Demand (including all of the invoices attached to the Reclamation Demand), the Proofs of Claim, any and all section 503(b)(9) claims, and all other pre-petition obligations or transfers (including all claims for goods shipped prior to the Petition Date) owing to or among Myllykoski or any of its affiliated entities, on the one hand, and the Debtors, on the other hand; provided, however, that this Stipulation does not resolve, impair, enhance or otherwise affect in any way whatsoever any rights, claims, defenses or counterclaims the Debtors, Myllykoski or any other party in interest may have under sections 547 or 548 of the Bankruptcy Code; and provided further for the avoidance of doubt; nothing herein, including without limitation, the allowance of any claims under section 503(b)(9) of the Bankruptcy Code, shall impair, enhance or otherwise affect in any way whatsoever the rights, defenses, claims or counterclaims of any parties-in-interest in respect of any pending avoidance actions, and all parties reserve their rights, defenses, claims and counterclaims in this regard.
6. Other than the Administrative Claims allowed as provided for in paragraphs 1 and 2 of this Stipulation, and except as set forth in paragraph 3 of this Stipulation, any and all Pre-Petition Claims filed by Myllykoski or any of its affiliated entities or by any assignees of any such entities against the Debtors shall be deemed disallowed and expunged.
7. The Stipulation is subject to approval of the Bankruptcy Court, and this Stipulation shall become effective on the date of entry of the Court's Order approving this Stipulation.

8. This Stipulation may only be amended or otherwise modified by a signed writing executed by the Parties.
9. 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.
10. This Stipulation shall be binding on all parties in interest in Debtors' cases.
11. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Stipulation.

New York, New York  
July 14, 2010

*Counsel to Myllykoski North America,  
Madison Paper Industries, Madison Paper  
Company (Alsip Location), and Myllykoski  
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**SO ORDERED:**

Dated: New York, New York  
August 5, 2010

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