

ARNOLD & PORTER LLP
399 Park Avenue
New York, New York 10022-4690
Telephone: (212) 715-1000
Facsimile: (212) 715-1399
Michael J. Canning
Charles A. Malloy (admitted *pro hac vice*)
Ken L. Hashimoto

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

**MOTION OF THE REORGANIZED DEBTORS PURSUANT TO 11 U.S.C. §§ 105(a)
AND 502 AND FEDERAL RULE OF BANKRUPTCY PROCEDURE 3003
CONFIRMING THAT THE ARIZONA DEPARTMENT OF REVENUE HAS NO
CLAIMS AGAINST ANY SUBSIDIARY DEBTORS ON ACCOUNT OF PREPETITION
OR POSTPETITION SALES TAX LIABILITIES**

Quebecor World (USA) Inc. ("QWUSA") and 52 of its domestic direct and indirect subsidiaries (the "Subsidiary Debtors"),¹ as reorganized debtors (collectively, the "Debtors" or

¹ The Subsidiary Debtors are Quebecor Printing Holding Company, Quebecor World Capital Corporation, Quebecor World Capital II GP, Quebecor World Capital II LLC, WCZ, LLC, Quebecor World Lease GP, Quebecor World Lease LLC, QW Memphis Corp., The Webb Company, Quebecor World Printing (USA) Corp., Quebecor World Loveland Inc., Quebecor World Systems Inc., Quebecor World San Jose Inc., Quebecor World Buffalo Inc., Quebecor World Johnson & Hardin Co., Quebecor World Northeast Graphics Inc., Quebecor World UP / Graphics Inc., Quebecor World Great Western Publishing Inc., Quebecor World DB Acquisition Corp., WCP-D, INC., Quebecor World Taconic Holdings Inc., Quebecor World Retail Printing Corporation, Quebecor World Arcata Corp., Quebecor World Nevada Inc., Quebecor World Atglen Inc., Quebecor World Krueger Acquisition Corp., Quebecor World Book Services LLC, Quebecor World Dubuque Inc., Quebecor World Pendell Inc., Quebecor World Fairfield Inc., QW New York Corp., Quebecor World Dallas II Inc., Quebecor World Nevada II LLC, Quebecor

“Reorganized Debtors”, as applicable)² move this Court (the **“Motion”**) for the entry of an order substantially in the form of Exhibit A hereto, confirming that the State of Arizona and the Arizona Department of Revenue (together, **“Arizona”**) have no prepetition or postpetition claims against any of the Subsidiary Debtors on account of sales or transaction privilege tax liabilities due to Arizona’s failure to timely file proofs of claim or administrative expense claims against any Debtor other than QWUSA. In support of the Motion, the Reorganized Debtors state as follows:

Preliminary Statement

1. In October, 2008, the Debtors filed their Motion 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”**) in an effort to consensually resolve potential sales, use or transaction privilege tax³ liabilities for a subset of Debtors that had not previously registered with certain taxing authorities. The Sales

World Dallas, L.P., Quebecor World Mt. Morris II LLC, Quebecor World Petty Printing Inc., Quebecor World Hazleton Inc., Quebecor World Olive Branch Inc., Quebecor World Dittler Brothers Inc., Quebecor World Atlanta II LLC, Quebecor World RAI Inc., Quebecor World KRI Inc., Quebecor World Century Graphics Corporation, Quebecor World Waukeg Inc., Quebecor World Logistics Inc., Quebecor World Mid-South Press Corporation, Quebecor Printing Aviation Inc., Quebecor World Eusey Press Inc., Quebecor World Infiniti Graphics Inc., Quebecor World Magna Graphic Inc., Quebecor World Lincoln Inc, and Quebecor World Memphis LLC.

² 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. Further, on July 2, 2010, World Color Press Inc. was acquired by Quad/Graphics, 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.

³ “Transaction privilege tax” is the term used by Arizona for taxes that are analogous to sales tax in other jurisdictions.

Tax Motion initiated a consensual process by which taxing authorities would be granted allowed claims so that the Debtors could avoid the protracted and costly litigation that might otherwise be required to resolve all of the Debtors' prepetition sales tax liabilities. The Sales Tax Motion did not, however, supersede or modify the provisions of the Bankruptcy Code, the Bankruptcy Rules, or orders of this Court governing the resolution of prepetition and postpetition claims in these Chapter 11 Cases.

2. In the first instance, over 400 taxing authorities accepted the sales tax claim amounts proffered by the Debtors in connection with the Sales Tax Motion, without objection. Several taxing authorities did, however, file protective objections to the amounts stipulated by the Debtors for such taxing authorities in the Sales Tax Motion, and the Debtors engaged in further discussions with all of such taxing authorities in an effort to seek consensual resolution of their objections. Ultimately, all but two of the eight objecting taxing authorities agreed to accept allowed priority tax claims in amounts equal to, or not materially different from, the amounts initially set forth in the Sales Tax Motion. Only Arizona and the Texas Comptroller of Public Accounts ("Texas") rejected the amounts proposed by the Debtors in full satisfaction of any claims such taxing authorities might assert against the Debtors on account of sales or transaction privilege tax liabilities. Instead, Texas and Arizona elected to assert claims against the Debtors that are many multiples of the amounts set forth in the Sales Tax Motion, and the Reorganized Debtors are currently litigating claim objections with Arizona and Texas in an effort to finally resolve the amount of their respective claims. In connection with such litigation, Arizona has asserted claims against the Subsidiary Debtors in addition to QWUSA, and has to date engaged in considerable discovery in respect of possible transaction privilege tax liability of each of said Subsidiary Debtors. The present motion seeks confirmation that Arizona's claims against the

Debtors in respect of transaction privilege tax liabilities are limited only to those claims it may properly assert against QWUSA, the only entity against which Arizona timely filed transaction privilege tax claims.

3. Specifically, notwithstanding any assertion by Arizona to the contrary, as Arizona failed to timely file any claims against any of the Subsidiary Debtors on account of any prepetition or postpetition transaction privilege tax liability on or before the expiration of the applicable bar dates, any such claims were discharged under and pursuant to the Debtors' Plan and the Confirmation Order (in each case, as defined below). Accordingly, in connection with the resolution of Arizona's transaction privilege tax claims against the Debtors, the Reorganized Debtors seek confirmation that Arizona's transaction privilege tax claims, to the extent asserted against any of the Subsidiary Debtors, are barred. The Reorganized Debtors are seeking this determination now, before engaging in further discovery, or the commencement of any evidentiary hearings, so that the Reorganized Debtors will not have to respond to unnecessary, expensive and burdensome discovery related to entities against which Arizona has no claim, and to otherwise narrow the issues before the Court.

4. As described below, the claims procedures approved in these Chapter 11 Cases required that creditors file a separate proof of claim in the case of each Debtor against which such creditor asserted a claim. Arizona did not file any transaction privilege tax claims against the Subsidiary Debtors. Instead, Arizona filed two transaction privilege tax claims in the case of QWUSA, which consist of a prepetition priority tax claim, number 9517, in the amount of \$5,522,030.35, and an administrative claim, number 9518, in the amount of \$1,800,000 (together, the "**Arizona TPT Claims**").⁴ The determination of the Debtors' transaction privilege

⁴ The Arizona TPT Claims are attached hereto as Exhibit B and amend and supersede certain other previously filed claims.

tax liability to Arizona therefore must be limited to the liability, if any, of QWUSA on account of such claims.

Jurisdiction

5. 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).

6. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

7. The statutory predicates for the relief requested herein are sections 105(a) and 502 of the United States Bankruptcy Code, 11 U.S.C. §§ 101-1532 (the "**Bankruptcy Code**") and Rule 3003 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**").

Background

8. 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.

9. On January 23, 2008 Donlin, Recano & Company, Inc. was appointed as the claims agent in these Chapter 11 Cases (the "**Claims Agent**"), while an official committee of unsecured creditors (the "**Creditors' Committee**") was appointed on January 31, 2008, and amended on February 8, 2008.

10. By an order entered on September 30, 2008 (Docket No. 1175) (the "**Bar Date Order**"), the Court established December 5, 2008 as the general bar date for creditors to file proofs of claim, including, among others, proofs of claim by governmental units (the "**Bar Date**"). The Bar Date Order provided, *inter alia*, that:

if a holder asserts a claim against more than one Debtor, or has claims against different Debtors, a separate proof of claim form must be filed with respect to each Debtor.

Bar Date Order, ¶ 7(e).

11. On or about October 15, 2008, in accordance with the requirements of the Bar Date Order, the Claims Agent served a notice of the Bar Date on all known creditors and potential creditors (the "**Bar Date Notice**"). Over 110,000 copies of the Bar Date Notice were mailed to known creditors and potential creditors. The Claims Agent served Arizona with *separate* Bar Date Notices for *each* of the 53 Debtors, along with separate proof of claim forms personalized to show the manner in which Arizona was scheduled for *each* Debtor.⁵

Additionally, the Bar Date Notice was published on or about November 3, 2008 in the national editions of *The New York Times* and *The Wall Street Journal* (the "**Publication Notice**"). Both the Bar Date Notice and Publication Notice provided, *inter alia*, that:

Any holder of a claim against more than one Debtor must file a separate proof of claim with respect to each such Debtor and all holders of claims must identify on their proof of claim form the specific Debtor against which their claim is asserted, and, if not provided, the case number of that Debtor's bankruptcy case.

Bar Date Notice and Publication Notice, attached as Appendices 1 and 3 to the Bar Date Order.

12. In response to the mailing and publication of the Bar Date Notice, approximately 10,000 proofs of claim were filed in these Chapter 11 Cases. Moreover, there were 3,037 separate proofs of claim filed by 552 creditors with respect to multiple Debtors.

13. On October 18, 2008, the Debtors filed the Sales Tax Motion. By filing the Sales Tax Motion, the Debtors sought to implement procedures to resolve comprehensively their potential sales tax liabilities through a voluntary disclosure to the applicable taxing authorities that would fix the amount of the prepetition sales tax liabilities of those Debtor entities identified by the Debtors as not having previously registered with certain states and localities for the

⁵ The Debtors had two known addresses in its records for Arizona. Although the addresses were similar, out of an abundance of caution, the Debtors served 106 Bar Date Notices and personalized proof of claim forms on Arizona, 53 to each known address.

purpose of collecting and remitting sales tax (the "**Sales Tax Procedures**"). The Sales Tax Motion was clear that it applied to multiple Debtors, and that more than one Debtor could be liable to a given taxing authority. *See* Sales Tax Motion, ¶ 10 (seeking to implement the Sales Tax Procedures "to resolve the potential sales tax liabilities of various Debtor entities").

14. The Sales Tax Procedures were approved on November 14, 2008 pursuant to the Court's Amended Order Pursuant to 11 U.S.C. §§ 105(a), 502 and 505 and Federal Rule of Bankruptcy Procedure 9019 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 Procedures Order**"). In this regard, the Sales Tax Procedures Order had, as an Exhibit thereto, a list of each taxing authority being addressed by the Sales Tax Procedures, and, with respect to each such taxing authority, included the amount proposed by the Debtors to be allowed and paid as a priority tax claim by the Debtors in full satisfaction of any claims such taxing authority may have against the Debtors. Once again, although almost all of the taxing authorities accepted the amounts proposed by the Debtors, Arizona objected to the proposed amount of transaction privilege tax liability for Arizona set forth in the Sales Tax Procedures Order, and has instead asserted that it is entitled to claims in the amounts set forth in the Arizona TPT Claims.

15. On December 4, 2008 -- one day before the Bar Date -- the Debtors, Arizona, and the New York State Department of Taxation ("**New York**"), entered into a stipulation extending the Bar Date for Arizona and New York to file proofs of claim for an additional month and a half, until January 22, 2009 (Docket No. 1344) (the "**Bar Date Extension Stipulation**"). The Court approved the Bar Date Extension Stipulation on December 17, 2008.

16. The Bar Date Extension Stipulation stated that Arizona “intend[s] to file one or more proofs of claim on behalf of its taxing authorities for sales tax liabilities alleged to be owing prior to the filing of the petitions in these cases *by one or more of the Debtors*,” however, “[b]ecause of the number of Debtors, and the types of claims at issue, [Arizona] has requested that the Debtors agree to a schedule that would provide them additional time to complete the preparation of proofs of claim in this regard.” See Bar Date Extension Stipulation, ¶¶ 5, 6 (emphasis added). The Bar Date Extension Stipulation also provided, *inter alia*, that:

The Bar Date Order shall be modified and amended to extend the Bar Date as set forth in paragraphs 2 and 3 of the Bar Date Order, solely with respect to proofs of claim to be filed by the State of New York and State of Arizona, each on behalf of its taxing authorities for sales tax liabilities alleged to be owing prior to the filing of the petitions in these cases by one or more of the Debtors, so that any proofs of claim by such governmental units must be filed so as to be received on or before **January 22, 2009 at 5:00 p.m.** prevailing Eastern time. ***Other than extending the Bar Date as provided for herein, this Stipulation shall not effect the requirements of the Bar Date Order, any other order of this Court, or any other requirement applicable to the claims of the State of New York or the State of Arizona.***

Bar Date Extension Stipulation, ¶ 7 (emphasis added).

17. Although Arizona clearly contemplated the possibility of filing multiple proofs of claim, and agreed that the Bar Date Extension Stipulation did nothing to modify the requirements of the Bar Date Order, when Arizona did file claims, it filed them only against QWUSA and did not file proofs of claim against any of the Subsidiary Debtors on account of transaction privilege taxes.⁶

⁶ Arizona did file two claims against Quebecor World RAI Inc., but such claims were based on corporate or withholding taxes, not the transaction privilege taxes that are the subject of the Sales Tax Procedures and the Arizona Sales Tax Claim. If anything, Arizona’s filing against Quebecor World RAI Inc. indicates that Arizona was aware of the requirement that claims be filed in the case of each Debtor against which Arizona asserted a claim.

18. On May 18, 2009, the Debtors filed their Third Amended Joint Plan of Reorganization (Docket No. 1662), and on July 2, 2009, the Court entered an order confirming the Debtors' Third Amended Joint Plan of Reorganization, as modified (the "**Plan**"). See Findings of Fact, Conclusions of Law and Order Confirming Third Amended Joint Plan of Reorganization of Quebecor World (USA) Inc. and Certain Affiliated Debtors and Debtors-In-Possession (Docket No. 1802) (the "**Confirmation Order**"). The Plan's effective date occurred on July 21, 2009 (the "**Effective Date**"). Pursuant to the Plan, on the Effective Date, a Joint Claims Oversight Committee, as defined and provided for in the Plan, was formed.

19. Article 9.6 of the Plan established a bar date for filing administrative expense claims, which occurred on September 21, 2009 (the "**Administrative Bar Date**"). Specifically, the Plan provided that

All . . . requests for payment of an Administrative Claim . . . must be filed, in substantially the form of the Administrative Claim Form attached hereto as Exhibit 9.6, with the Claims Agent and served on counsel for the Debtors and the Creditors' Committee or Joint Claims Oversight Committee, as applicable, no later than the Administrative Claims Bar Date. Any request for payment of an Administrative Claim pursuant to this Article 9.6 that is not timely filed and served shall be disallowed automatically without the need for any objection from the Debtors or the Reorganized Debtors.

Plan, Article 9.6. Thus, any administrative expense claim not filed by Arizona by September 21, 2009 was barred by Article 9.6 of the Plan.

20. The Notice of (I) Entry of Order Confirming Third Amended Joint Plan of Reorganization of Quebecor World (USA) Inc. and Certain Affiliated Debtors and Debtors-in-Possession; (II) Occurrence of Effective Date; and (III) Deadlines for Filing Certain Administrative Claims and Claims Arising from the Rejection of Executory Contracts or Unexpired Leases (Docket No. 1832) (the "**Confirmation and Administrative Bar Date**")

Notice”) contained nearly identical language regarding the filing of administrative expense claims. See Confirmation and Administrative Bar Date Notice, at ¶ 3. The Claims Agent served the Confirmation and Administrative Bar Date Notice on all creditors, including Arizona.

21. Exhibit 9.6 to the Plan, the Administrative Claim Form (Docket No. 1791), referred to in both the Plan and the Confirmation and Administrative Bar Date Notice, contained the following instructions:

You MUST fill in the specific Debtor against which your claim is being asserted and the case number of that Debtor’s bankruptcy case. If you are asserting claims against more than one Debtor, you MUST file a separate administrative expense proof of claim for each Debtor.

Administrative Claim Form, Plan Exhibit 9.6, at 2.

22. On November 5, 2009, this Court entered an Order Authorizing the (a) Establishment of Claims Allowance, Objection, Claims Resolution and Settlement Procedures and (b) Extension of the 503(b)(9)/Reclamation Claims Objection Deadline (Docket No. 1978) (the “**Claims Procedures Order**”), which approved certain detailed procedures for the allowance of claims, and for the filing and prosecution of objections to claims filed or scheduled in these Chapter 11 Cases, as more fully set forth in Appendix 1 to the Claims Procedures Order (the “**Claims Procedures**”).

23. The Reorganized Debtors and Arizona were unable to reach a consensual resolution of the Arizona TPT Claims pursuant to the Sales Tax Procedures, and on January 28, 2011, pursuant to the Preliminary Scheduling Order (Docket No. 4333), the Reorganized Debtors objected to the Arizona TPT Claims (Docket No. 4411) (the “**Arizona TPT Claims Objection**”), thereby giving rise to the current litigation in respect of the Arizona TPT Claims.

Relief Requested

24. In discussions with the Debtors incident to the current litigation, Arizona has asserted that, in addition to the claims it has filed against QWUSA, Arizona also believes that it has claims against certain of the Subsidiary Debtors on account of prepetition and postpetition transaction privilege tax liabilities. As Arizona filed claims only against QWUSA, however, Arizona has no claims against the Subsidiary Debtors for transaction privilege tax, and Arizona's recovery must be limited to transaction privilege tax liability, if any, that is determined to be payable by QWUSA. Arizona must not be allowed to recover any amounts from any of the Subsidiary Debtors, as Arizona failed to file any claims against any Subsidiary Debtor in respect of prepetition or postpetition transaction privilege tax liabilities.

Basis for Relief Requested

25. By this Motion, the Debtors request that the Court enter an order confirming that Arizona has no claims against any of the Subsidiary Debtors on account of prepetition or postpetition sales tax liabilities.

26. Section 502(a) of the Bankruptcy Code states that:

A claim or interest, proof of which is filed under section 501 of this title, is deemed allowed, unless a party in interest, including a creditor of a general partner in a partnership that is a debtor in a case under chapter 7 of this title, objects.

11 U.S.C. § 502(a). Bankruptcy Rule 3003(c)(2) states that:

Any creditor or equity security holder whose claim or interest is not scheduled or scheduled as disputed, contingent, or unliquidated shall file a proof of claim . . . ; any creditor who fails to do so shall not be treated as a creditor with respect to such claim for the purposes of voting and distribution.

Bankruptcy Rule 3003(c)(2). Pursuant to section 502(a) of the Bankruptcy Code and Bankruptcy Rule 3003(c)(2), Arizona does not possess a claim against any of the Subsidiary Debtors because

it failed to file a proof of claim against any of the Subsidiary Debtors. Therefore, Arizona may not be treated as a creditor entitled to recover any distributions from the Debtors' bankruptcy estate on account of claims for transaction privilege taxes, if any, that might be payable by any of the Subsidiary Debtors, nor are they entitled to conduct discovery in respect of any potential transaction privilege tax liability of any Subsidiary Debtor or any customer of any Subsidiary Debtor.

27. Moreover, the Court should strictly construe the Bar Date Order and the Confirmation Order (setting the Administrative Bar Date), which set specific deadlines and established the means by which creditors, including Arizona, must file proofs of claim. A claims bar date and an administrative bar date are both intended to provide a debtor and its creditors with finality in respect of the claims process, and to permit a debtor to make distributions under the plan. As one court noted:

A bar [date] order serves the important purpose of enabling the parties to a bankruptcy case to identify with reasonable promptness the identity of those making claims against the bankruptcy estate and the general amount of the claims, a necessary step in achieving the goal of successful reorganization. . . . Thus, a bar [date] order does not 'function as a procedural gauntlet' . . . but as an integral part of the reorganization process.

In re Musicland Holding Corp., 356 B.R. 603, 607 (Bankr. S.D.N.Y. 2006) (internal citations omitted).

28. Numerous other decisions hold that strict application of claims bar dates is necessary to the fair and efficient administration of chapter 11 cases. *See, e.g., In re Lehman*, 433 B.R. 113 (Bankr. S.D.N.Y. 2010) ("In view of the need to bring finality to the enormous task of resolving those claims that have already been filed in these cases, the Court concludes that strict application of the Bar Date Order is needed to effectively manage the claims process and

that permitting additional claims will lead to an opening of the claims process with foreseeable prejudice to the Debtors.”); *In re Enron Creditors Recovery Corp.*, 370 B.R. 90, 103 (Bankr. S.D.N.Y. 2007) (“the Bar Date Order was meant to function as a statute of limitations and effectively exclude such late claims in order to provide the Debtors and their creditors with finality to the claims process and permit the Debtors to make swift contributions under any confirmed plan of reorganization.”); *In re PT-1 Commc’n, Inc.*, 386 B.R. 402, 409 (Bankr. E.D.N.Y. 2007) (“An administrative bar date serves the same purpose as a claims bar date, which is ‘finality and debtor rehabilitation.’”). Arizona received ample and sufficient notice of the Bar Date and Administrative Bar Date. Indeed, Arizona specifically requested additional time, which they deemed sufficient to allow them to properly file all claims that they wished to assert against the Debtors, which the Debtors granted pursuant to the Bar Date Extension Stipulation! The purpose of formal notice of any bar date is to ensure that creditors have a reasonable opportunity to be heard before a court denies any creditor its claimed rights. *In re Texas Tamale Co., Inc.*, 219 B.R. 732, 737 (Bankr. S.D. Tex. 1998) (citing *City of New York v. New York, N.H. & H.R. Co.*, 344 U.S. 293, 297 (1953)). The Claims Agent sent separate Bar Date Notices and proof of claim forms to Arizona for *each* of the 53 Debtors. Moreover, the Plan, Confirmation Order, and Confirmation and Administrative Bar Date Notice (which the Claims Agent served on all creditors, including Arizona) each referred creditors to Plan Exhibit 9.6 for the Administrative Claim Form.

29. The Bar Date Order, Bar Date Notice, and Administrative Claim Form could not have been more clear. All clearly stated that if a claimant had a claim against more than one Debtor, or against different Debtors, that claimant was required to file separate proof of claim forms with respect to each Debtor. *See* Bar Date Order, ¶ 7(e); Bar Date Notice and Publication

Notice, attached as Appendices 1 and 3 to the Bar Date Order; and Administrative Claim Form, Plan Exhibit 9.6, at 2. It is common in this district in large chapter 11 cases, including in chapter 11 cases before this Court, for bar date orders to provide that if a creditor asserts claims against multiple debtors, the creditor must file separate proofs of claim with respect to each of those debtors. *See, e.g., In re MSR Resort Golf Course LLC*, Case No. 11-10372 (Bankr. S.D.N.Y. July 1, 2011) (“Proofs of claim must specify by name and case number the Debtor against which the claim is filed; if the holder asserts a claim against more than one Debtor or has claims against different Debtors, a separate proof of claim form must be filed with respect to each Debtor”); *In re The Great Atlantic & Pacific Tea Co., Inc.*, Case No. 10-24549 (Bankr. S.D.N.Y. May 2, 2011) (“If the holder asserts a Claim against more than one Debtor or has claims against different Debtors, a separate proof of claim form must be filed with respect to each Debtor. To the extent more than one Debtor is listed on the proof of claim, such Claim will be treated as if filed only against the first-listed Debtor.”); *In re Extended Stay Inc.*, Case No. 08-13764 (Bankr. S.D.N.Y. Nov. 19, 2009) (“If a claimant asserts a claim against more than one Debtor, the claimant must file a separate Proof of Claim against each Debtor.”); *In re Lehman Bros. Holdings Inc.*, Case No. 08-13555 (Bankr. S.D.N.Y. July 2, 2009) (“[I]f a holder asserts a claim against more than one Debtor or has claims against different Debtors, a separate Proof of Claim must be filed with respect to each Debtor.”). Indeed, of the known creditors and potential creditors who received over 110,000 copies of the Bar Date Notice, 552 of the Debtors’ creditors filed 3,037 proofs of claim with respect to multiple Debtors. Moreover, of the creditors who received the Confirmation and Administrative Bar Date Notice, 119 of the Debtors’ creditors filed 225 administrative expense proofs of claim with respect to multiple Debtors.

30. The Bar Date Order and Confirmation Order did not exempt Arizona or any other taxing authority from its requirements. Nor did the Sales Tax Procedures Order replace or modify the requirements established by the Bar Date Order or Confirmation Order, or otherwise exempt Arizona or any other taxing authority from complying with the Bar Date Order or Confirmation Order. Arizona affirmatively elected to stand on its filed claims by objecting to the proposed claim amount in the Sales Tax Motion, and then sought the Debtors' agreement to extend the Bar Date for an additional 49 days, through January 22, 2009, in order to allow Arizona sufficient time to file its claims against the Debtors. In the end, Arizona filed the Arizona TPT Claims only against QWUSA, even though the Bar Date Extension Stipulation, which was entered into among Arizona, New York and the Debtors *after* the entry of the Bar Date Order and the Sales Tax Procedures Order, specifically acknowledged that Arizona may assert claims against multiple Debtors and provided that "[o]ther than extending the Bar Date as provided for herein, this Stipulation shall not affect the requirements of the Bar Date Order." *See* Bar Date Extension Stipulation, ¶ 7.

31. Moreover, Arizona was on notice that it may have had claims against multiple Debtors. The Sales Tax Motion made clear that the taxing authorities, including Arizona, might have claims against multiple Debtors -- both QWUSA and the Subsidiary Debtors. *See* Sales Tax Motion, ¶ 10 (seeking to implement the Sales Tax Procedures "to resolve the potential sales tax liabilities of *various Debtor entities*") (emphasis added). Additionally, Arizona entered into the Bar Date Extension Stipulation, which provided that Arizona intended to "file one or more proofs of claim" against "one or more of the Debtors," but needed additional time "[b]ecause of the number of Debtors." *See* Bar Date Extension Stipulation, ¶¶ 5, 6.

32. In the face of all of this, Arizona cannot assert claims against any of the Subsidiary Debtors, as it simply failed to comply with the requirements of the Bar Date Order, Bar Date Notices, Confirmation Order, the Confirmation and Administrative Bar Date Notice and the Bar Date Extension Stipulation, which it specifically entered into to ensure that it had sufficient time to properly file its claims. The law is clear that failure to take notice of or review a bar date order is not generally a defense to the failure to file a proper proof of claim by the requisite bar date. *See e.g., In re Dana Corp.*, 2008 WL 2885901 (Bankr. S.D.N.Y. July 23, 2008) (refusing to find excusable neglect and allow a late claim when movant's failure to timely file a proof of claim, including the failure to recognize the implications of the bar date notice, was within the control of the movant); *In re ASARCO, LLC*, 2008 WL 4533733, at *3 (Bankr. S.D. Tex. Oct. 3, 2008) (providing that "failure to take notice of the Supplemental Bar Date Order and file the proofs of claim is due simply to inattention Such disregard does not meet the standards for excusable neglect"); *In re J.S. II, L.L.C.*, 397 B.R. 383, 389 (Bankr. N.D. Ill. 2008) (denying a late claim and finding that "failure to act on the initial notice of the case, the Notice of Claims Bar Date Motion, the Bar Date Order, and the Notice of Bar Dates was entirely within [the claimant's] control").

33. Moreover, permitting Arizona to amend the Arizona TPT Claims or file additional late proofs of claim against any of the Subsidiary Debtors at this stage in the Chapter 11 Cases would cause significant prejudice to the Reorganized Debtors and all other creditors who relied on the integrity and finality of the claims reconciliation process. *See, e.g., In re Lehman*, 433 B.R. 113 (Bankr. S.D.N.Y. 2010) ("The prejudice to the Debtors is not traceable to the filing of any single additional claim but to the impact of permitting exceptions that will encourage others to seek similar leniency."); *In re Dana Corp.*, 2008 WL 2885901, at *6 (Bankr. S.D.N.Y. July

23, 2008) (noting that allowance of all late-filed claims, even those resulting from innocent mistake, could result in a “mountain of such claims and the resulting prejudice to the debtors.”).

34. Finally, considerations of efficiency, avoiding unnecessary costs and conserving judicial resources also support limiting Arizona’s claims to the filed Arizona TPT Claims and limiting any discovery in respect of the resolution of such claims to the claims against QWUSA, and not to asserted claims against Subsidiary Debtors that are time-barred and were discharged pursuant to the Plan and Confirmation Order. Indeed, as Arizona only filed claims against QWUSA, any discovery as to the Subsidiary Debtors is entirely unnecessary to the resolution of the Arizona TPT Claims and unreasonably burdensome to the Reorganized Debtors. QWUSA is the only Debtor against which Arizona could potentially recover on the Arizona TPT Claims, and limiting discovery accordingly will narrow substantially the scope of discovery and the number of factual and legal issues that will need to be addressed by the parties at any evidentiary hearing before the Court in this regard.

35. In summary, Arizona, like all creditors, must be bound by the terms of the Bar Date Order, Bar Date Notices, Confirmation Order, the Confirmation and Administrative Bar Date Notice and the Bar Date Extension Stipulation, and it must only be allowed to proceed on the Arizona TPT Claims asserted against QWUSA, and not against any of the Subsidiary Debtors. For all of the foregoing reasons, Arizona has no claims against any of the Subsidiary Debtors on account of transaction privilege tax liabilities, and, in order to relieve the Reorganized Debtors of the burdens of having to unnecessarily address asserted claims that simply do not exist, Arizona should not be permitted to seek discovery that is unnecessary, burdensome and irrelevant to the resolution of the Arizona TPT Claims against QWUSA.

Reservation of Rights

36. The Reorganized Debtors expressly reserve their right to object to any and all claims asserted by Arizona or any other party, whether or not they are included in this Motion. The Reorganized Debtors also expressly reserve the right to object further to the Arizona TPT Claims, to the extent not disallowed and expunged, on any and all additional factual or legal grounds.

37. Without limiting the generality of the foregoing, the Reorganized Debtors specifically reserve the right to file additional papers or take other appropriate actions, as more fully set forth in the Claims Procedures.

Notice

Notice of this Motion has been provided to Arizona and to 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 Reorganized Debtors' Claims Agent, Donlin, Recano & Company, Inc. at www.donlinrecano.com.

No Prior Request

No prior motion for the relief requested has been made to this or any other court.

WHEREFORE, the Reorganized Debtors respectfully request an entry of an order, substantially in the form attached hereto as Exhibit A, (i) confirming that Arizona has no prepetition or postpetition claims against any of the Subsidiary Debtors on account of sales or transaction privilege tax liabilities, (ii) ordering that Arizona shall not propound discovery in respect of the Subsidiary Debtors or their customers in connection with the resolution of the Arizona TPT Claims against QWUSA, and the Reorganized Debtors are not required to respond

to any such discovery; and (iii) granting such other and further relief as the Court deems just and appropriate.

Dated: February 10, 2012
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 Reorganized Debtors

EXHIBIT A – PROPOSED FORM OF ORDER

**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 11 U.S.C. §§ 105(a) AND 502 AND FEDERAL RULE OF
BANKRUPTCY PROCEDURE 3003 CONFIRMING THAT THE ARIZONA
DEPARTMENT OF REVENUE HAS NO CLAIMS AGAINST ANY SUBSIDIARY
DEBTORS ON ACCOUNT OF PREPETITION OR POSTPETITION SALES TAX
LIABILITIES**

Upon the motion (the "Motion")* of Quebecor World (USA) Inc. ("QWUSA") and 52 of its domestic direct and indirect subsidiaries (the "Subsidiary Debtors"), as reorganized debtors (collectively, the "Debtors" or "Reorganized Debtors", as applicable) for entry of an Order confirming that the State of Arizona and the Arizona Department of Revenue ("Arizona") have no prepetition or postpetition claims against any of the Subsidiary Debtors on account of sales or transaction privilege tax liabilities; 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, (e) Arizona received due and adequate notice of the Bar Date, the Bar Date Order, the Confirmation Order and the Plan and (f) neither the

* Capitalized terms not defined in this Order shall have the meaning ascribed to them in the Motion.

Sales Tax Procedures Order nor the Bar Date Extension Stipulation modified or amended the provisions of the Bar Date Order or the Plan; and the 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. Arizona has no claims against any of the Subsidiary Debtors on account of prepetition or postpetition sales tax or transaction privilege tax liabilities and, in accordance with the Bar Date Order, the Confirmation Order and the Plan, is barred from asserting any such claims.
3. Because Arizona has no claims against the Subsidiary Debtors on account of transaction privilege tax liabilities, Arizona shall not be entitled to propound any discovery on the Reorganized Debtors with respect to transaction privilege tax liabilities of the Subsidiary Debtors, and the Reorganized Debtors shall not be required to respond to any such discovery.
4. The Reorganized Debtors are authorized to take all such actions as are necessary or appropriate to implement the terms of this Order.
5. This Order is without prejudice to the Reorganized Debtors' rights to seek additional relief with respect to the Arizona TPT Claims or any other matter that is the subject of the Sales Tax Procedures Order.

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

Dated: _____, 2012

United States Bankruptcy Judge

EXHIBIT B – ARIZONA TPT CLAIMS

Priority Tax Claims



STATE OF ARIZONA - PROOF OF CLAIM FOR ARIZONA DEPARTMENT OF REVENUE

70971

United States Bankruptcy Court for the District of Southern New York
4th AMENDED

Case Number 08-10152-JMP
Chapter: Bankruptcy Chapter 11
Taxpayer ID: 37-1167902
Tax Type: TPT
Petition Date: 01/28/2008

In the Matter of **QUEBECOR WORLD USA**

USBC - SOUTHERN DISTRICT OF NY
QUEBECOR WORLD (USA), INC. ET AL
CHAPTER 11 CASE NO.: 08-10152 (JMP)
CLAIM NUMBER: **09517**

Total Priority:	\$5,522,030.35
Amount Due as of this Statement:	\$5,522,030.35

- The undersigned is the agent of the Arizona Department of Revenue and is authorized to make this proof of claim on its behalf.
- The Debtor was at the time of the filing of the petition initiating this case, and still is, indebted to the State of Arizona.
- The amount of all payments on this claim have been credited and deducted for the purpose of making this claim.
- The grounds for the liability are for taxes due under the Arizona Revised Statutes.
 - Secured Lien(s) in the event there is insufficient property for the lien to attach, all claims so entitled will be treated as priority under 11 USC Section 507(a)(8).

b. Unsecured Priority under Section 507(a)(8) of the Bankruptcy Code

Tax Type	Memo	Period	Tax	Penalty	Interest	Total
TPT	Cumulative liabilities during the pre petition period	12/31/2007	\$5,522,030.35	\$0.00	\$0.00	\$5,522,030.35

Total Section Priority: \$5,522,030.35

- Amounts claimed as Priority under Section 1305
- Unsecured General Claims

Amount Due as of this Statement: \$5,522,030.35

- No note or other negotiable instrument has been received for the account or any part of it, except
- No judgement has been rendered on this claim, except..
- The Department may have a right to setoff. The Department does not waive such right.
- Make checks payable to the "ARIZONA DEPARTMENT OF REVENUE".
- All tax returns shall be filed directly with the Arizona Department of Revenue, Bankruptcy Section.

ARIZONA DEPARTMENT OF REVENUE

Office of the Arizona Attorney General
All notices, correspondence, pleadings and payments will be sent to the following address:
c/o: Tax, Bankruptcy and Collection Section
1275 West Washington Avenue
Phoenix, AZ 85007
Phone: 602-542-8811

Signed: **Christina M. Garcia**
Dated: 10/29/2009
Christina M Garcia

Digitally signed by Christina M. Garcia
DN: cn=Christina M. Garcia, o=AZ Dept of Revenue,
ou=Bankruptcy, email=chgc@azdor.gov, c=US
Date: 2009.10.29 16:13:37 -0700

RECEIVED
2009 NOV -2 PM 2:32
US BANKRUPTCY COURT/DRC

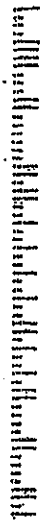
1155

ARIZONA DEPARTMENT OF REVENUE
1600 WEST MONROE
PHOENIX, AZ 85007-2650

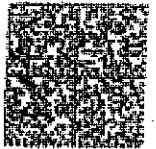
1245
9517

DONLIN & RECANO CLAIMS AGENT
419 PARK AVENUE SOUTH, STE 1206
NEW YORK NY 10016

1-0301 10016



PRESORTED
FIRST CLASS



02 1M
0004243156
MAILED FROM ZIP CODE 92907
\$00.44
OCT 25 2009
UNITED STATES
POSTAL SERVICE
PERMIT NO. 1000
PHOENIX, AZ

Administrative Expenses



STATE OF ARIZONA - PROOF OF CLAIM FOR ARIZONA DEPARTMENT OF REVENUE

United States Bankruptcy Court for the District of Southern New York
Administrative Expenses
1st AMENDED

Case Number 08-10152-JMP
Chapter: Bankruptcy Chapter 11
Taxpayer ID: 37-1167902
Tax Type: TPT
Petition Date: 01/28/2008

In the Matter of QUEBECOR WORLD USA 70971

1. The undersigned is the agent of the Arizona Department of Revenue and is authorized to make this proof of claim on its behalf.
2. The grounds for the liability are for taxes due under the Arizona Revised Statutes.

Tax Type	Memo	Period	Tax	Penalty	Interest	Total
TPT	Est. due to non-filing	12/31/2008	\$1,800,000.00	\$0.00	\$0.00	\$1,800,000.00
Amount Due as of this Statement:						\$1,800,000.00

Any pleading concerning this Claim must be filed and served on the Arizona Department of Revenue.

ARIZONA DEPARTMENT OF REVENUE

Christina M. Garcia

Digitally signed by Christina M. Garcia
DN: cn=Christina M. Garcia, o=AZ Dept. of Revenue,
ou=Bankruptcy, email=cmgarcia@azdor.gov, c=US
Date: 2009.10.29 10:52:57 -0700

Signed:

Dated: 10/29/2009

Christina M Garcia

Office of the Arizona Attorney General
All notices, correspondence, pleadings and payments will be sent to the following address:
c/o: Tax, Bankruptcy and Collection Section
1275 West Washington Avenue
Phoenix, AZ 85007
Phone: 602-542-8811

USBC - SOUTHERN DISTRICT OF NY
QUEBECOR WORLD (USA), INC. ET AL
CHAPTER 11 CASE NO.: 08-10152 (JMP)
CLAIM NUMBER: 09518

RECEIVED
2009 NOV - 3 PM 1:16
US BANKRUPTCY COURT/DRC