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April 19, 2011

**VIA ELECTRONIC MAIL**

Jay W. Hurst  
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P.O. Box 12548  
Austin, Texas 78711-4861  
jay.hurst@oag.state.tx.us

Re: *In re Quebecor World (USA) Inc.*; Case No. 08-10152 (JMP)

Dear Jay:

This letter sets forth the Reorganized Debtors' understanding and agreements following the March 30, 2011 meet and confer with respect to Texas' First Set of Interrogatories and First Request for Production of Documents.

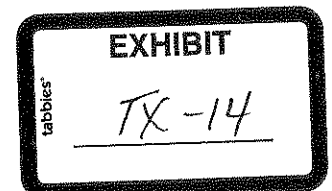
**INTERROGATORIES**

During the meet and confer, Texas did not request further answers or clarifications with respect to the Reorganized Debtors' answers to Interrogatories Nos. 1-7, 13 and 14. With respect to the remaining Interrogatories, the Reorganized Debtors' position in respect of each of Texas' requests is as follows:

**Interrogatory No. 8:** Texas requested that the Reorganized Debtors' answer to Interrogatory No. 8 be amended to include a list of all salespeople located in Texas, even if they are not management level officers or employees. The Reorganized Debtors will agree to amend their answer to Interrogatory No. 8 to identify all current salespeople located in Texas.

**Interrogatory No. 9:** Texas agreed to omit from Interrogatory No. 9 the requirement that the Reorganized Debtors "describe fully" certain sales activities in Texas. In light of such revision to Interrogatory No. 9, the Reorganized Debtors will agree, subject to their other objections, to provide an answer to Interrogatory No. 9, which will consist of a summary description of the Debtors' sales activities in Texas during the period set forth in Interrogatory No. 9.

**Interrogatory No. 10:** Texas requested that the Reorganized Debtors indicate whether the Debtors had any facilities or operations in Texas in addition to Quebecor World Dallas. The Reorganized Debtors will make appropriate amendments to their answer to



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Interrogatory No. 10 to the extent that the Debtors had any facilities or operations in Texas other than Quebecor World Dallas for the period in question.

**Interrogatory No. 11:** Texas agreed to withdraw the request that the Reorganized Debtors "describe fully" their operations and properties in Texas. In light of such revision to Interrogatory No. 11, the Reorganized Debtors will agree that, subject to their objections, the Reorganized Debtors will provide an answer to Interrogatory No. 11 consisting of a summary description of the Debtors' operations and properties in Texas for the period in question.

**Interrogatory No. 12:** The Reorganized Debtors will provide a list of the Debtors' ten largest customers in gross sales volume in Texas for each full or partial year during the period January 1, 2001 through July 21, 2009, subject to the execution of a mutually agreeable confidentiality agreement by the parties that will provide, *inter alia*, that Texas will keep confidential all information provided in the Reorganized Debtors' answer to Interrogatory No. 12 and that Texas will not use such information for any purpose other than the determination in the present litigation of the Debtors' alleged sales tax liability to Texas, including, without limitation, that any and all filings in the Bankruptcy Court in respect of such determination will be made under seal or as otherwise agreed-to by the parties.

**Interrogatories Nos. 15-16:** Texas requested that the parties set dates for initial witness and expert witness disclosures. The Reorganized Debtors will agree to deliver witness and expert witness disclosures not later than ten days prior to the expiration of the discovery period.

**REQUEST FOR PRODUCTION OF DOCUMENTS**

During the meet and confer, Texas did not request clarifications with respect to the Reorganized Debtors' objection and response to Texas's Request for Production No. 17. With respect to the remaining requests, the Reorganized Debtors' position in respect of each of Texas' requests is as follows:

**Request No. 1:** Texas proposed to limit Request No. 1 to documents that establish the taxability or non-taxability of transactions in the sample period as to which the Reorganized Debtors and Texas do not presently agree on taxability. The Reorganized Debtors will agree to produce non-privileged documents in their possession, custody or control that are responsive to Request No. 1, provided that such production shall be limited to those documents that relate specifically to transactions in the sample period as to which the Reorganized Debtors and Texas do not presently agree on taxability, and shall be further subject to the objections set forth in the Reorganized Debtors' written Objections and Responses.

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**Requests No. 2-5:** The Reorganized Debtors will agree to produce non-privileged documents in their possession, custody or control that are responsive to Requests No. 2-5, as limited by the objections set forth in the Reorganized Debtors' written Objections and Responses.

**Request No. 6:** Texas proposed that Request No. 6 be limited to any documents that the Reorganized Debtors intend to use at trial and that are not responsive to any other request. The Reorganized Debtors will agree to produce non-privileged documents in their possession, custody or control that are responsive to Request No. 6, as limited by the agreement of the parties and the objections set forth in the Reorganized Debtors' written Objections and Responses.

**Requests No. 7-12:** Texas proposed that Requests No. 7-12 be limited to documents that are not otherwise responsive to Requests 1-5. Texas also proposed that the Reorganized Debtors limit the production to (i) documents "created" by the Debtors and (ii) summary documents and/or final reports and analyses, with the understanding that such production would be on a rolling basis. Texas further proposed limiting Requests No. 7-12 to those documents that the Reorganized Debtors intend to proffer in connection with an evidentiary hearing in this matter. Subject to the foregoing conditions and agreements, the Reorganized Debtors will agree to produce non-privileged documents in their possession, custody or control that are responsive to Requests No. 7-12, as limited by the agreement of the parties and the objections set forth in the Reorganized Debtors' written Objections and Responses.

**Requests No. 13-16:** Texas proposed to limit Requests No. 13-16 to summary documents and/or final reports and analyses, and further to limit Requests No. 13-16 to documents that the Reorganized Debtors intend to proffer in connection with an evidentiary hearing in this matter. The Reorganized Debtors will agree to produce non-privileged documents in their possession, custody or control that are responsive to Requests No. 13-16, as limited by the agreement of the parties and the objections set forth in the Reorganized Debtors' written Objections and Responses.

**Request No. 18:** The Reorganized Debtors will agree to produce lists of customers for each year in the period January 1, 2001 through July 21, 2009, subject to the execution of a mutually agreeable confidentiality agreement providing, *inter alia*, that Texas will keep confidential all documents and information provided in response to Request No. 18 and that Texas will not use such information for any purpose other than the determination in the present litigation of the Debtors' alleged sales tax liability to Texas, including, without limitation, that any and all filings in the Bankruptcy Court in respect of such determination will be made under seal or as otherwise agreed-to by the parties.

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**Request No. 19:** The Reorganized Debtors will agree to produce documents concerning the solicitation of business from the Debtors' top ten customers in Texas for each year in the period January 1, 2001 through July 21, 2009, subject to the execution of a mutually agreeable confidentiality agreement providing, *inter alia*, that Texas will keep confidential all documents and information provided in response to Request No. 19 and that Texas will not use such information for any purpose other than the determination in the present litigation of the Debtors' alleged sales tax liability to Texas, including, without limitation, that any and all filings in the Bankruptcy Court in respect of such determination will be made under seal or as otherwise agreed-to by the parties.

**Request No. 20:** Texas proposed that Request No. 20 be limited to documents concerning sales meetings, convention attendance, seminars, special promotions and sales presentations related to the Debtors' sales activities in Texas during the period January 1, 2001 through July 21, 2009. The Reorganized Debtors will agree to produce non-privileged documents in their possession, custody or control that are responsive to Request No. 20, as limited by the agreement of the parties and the objections set forth in the Reorganized Debtors' written Objections and Responses; provided, however, that the Reorganized Debtors may delete or redact the name and any other information identifying any customer associated with such activities, or subject the delivery of such information to a mutually agreed-upon confidentiality agreement.

**Request No. 21:** Texas proposed that Request No. 21 be limited to documents reflecting the Debtors' advertising materials or advertisements disseminated in Texas during the period January 1, 2001 through July 21, 2009. The Reorganized Debtors will agree to produce non-privileged documents in their possession, custody or control that are responsive to Request No. 21, as limited by the agreement of the parties and the objections set forth in the Reorganized Debtors' written Objections and Responses; provided, however, that the Reorganized Debtors may delete or redact the name and any other information identifying any customer associated with such advertising materials or advertisements, or subject the delivery of such information to a mutually agreed-upon confidentiality agreement.

**Request No. 22:** Texas proposed that Request No. 22 be limited to fixed asset lists and summary documents concerning the Debtors' operations in Texas during the period January 1, 2001 through July 21, 2009. The Reorganized Debtors will agree to produce non-privileged documents in their possession, custody or control that are responsive to Request No. 22, as limited by the agreement of the parties and the objections set forth in the Reorganized Debtors' written Objections and Responses.

**Request No. 23:** Texas proposed that Request No. 23 be limited to documents concerning the delivery or shipment of products by the Debtors in Texas during the period

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January 1, 2001 through July 21, 2009 that the Reorganized Debtors intend to proffer in connection with an evidentiary hearing in this matter. The Reorganized Debtors will agree to produce non-privileged documents in their possession, custody or control that are responsive to Request No. 23, as limited by the agreement of the parties and the objections set forth in the Reorganized Debtors' written Objections and Responses; provided, however, that the Reorganized Debtors may delete or redact the name and any other information identifying any customer associated with such delivery or shipment of products, or subject the delivery of such information to a mutually agreed-upon confidentiality agreement.

**Request No. 24:** Texas proposed that Request No. 24 be limited to summary documents concerning the provision of services by the Debtors in Texas during the period January 1, 2001 through July 21, 2009 and documents that the Reorganized Debtors intend to proffer in connection with an evidentiary hearing in this matter. The Reorganized Debtors will agree to produce non-privileged documents in their possession, custody or control that are responsive to Request No. 24, as limited by the agreement of the parties and the objections set forth in the Reorganized Debtors' written Objections and Responses; provided, however, that the Reorganized Debtors may delete or redact the name and any other information identifying any customer associated with such provision of services, or subject the delivery of such information to a mutually agreed-upon confidentiality agreement.

**Requests No. 25-26A and 26B:**<sup>1</sup> Texas proposed that Requests No. 25-26A and 26B be limited to documents that the Reorganized Debtors intend to proffer in connection with an evidentiary hearing in this matter. The Reorganized Debtors will agree to produce non-privileged documents in their possession, custody or control that are responsive to Requests No. 25-26A and 26B, as limited by the agreement of the parties and the objections set forth in the Reorganized Debtors' written Objections and Responses.

**Request No. 27:** Texas agreed that Request No. 27 is superfluous in light of Texas' agreement to confine the scope of certain other document requests to materials that the Reorganized Debtors intend to proffer in connection with an evidentiary hearing in this matter, and the Reorganized Debtors' agreement to produce such documents in connection with other document requests. Accordingly, the Reorganized Debtors will not produce documents in response to Request No. 27.

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<sup>1</sup> Texas' document requests included two requests numbered 26. For purposes of this letter, we refer to these requests as 26A and 26B.

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**Requests No. 28-33:** With respect to Requests No. 28-31, and Request No. 33, the Reorganized Debtors will agree to make expert witness disclosures and produce related materials not later than ten days prior to the expiration of the discovery period.

With respect to Request No. 32, the Reorganized Debtors will agree to produce a summary statement of any compensation to be paid to any expert witness retained to testify at an evidentiary hearing in this matter.

**Request No. 34:** With respect to Request No. 34, subject to the objections set forth in the Reorganized Debtors' written Objections and Responses, the Reorganized Debtors will produce any responsive, non-privileged documents in their possession, custody or control.

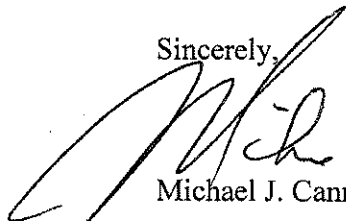
**Request No. 35:** With respect to Request No. 35, subject to the objections set forth in the Reorganized Debtors' written Objections and Responses, the Reorganized Debtors will produce any responsive, non-privileged documents in their possession, custody or control.

With respect to the timing of production, unless otherwise set forth in this letter, the Reorganized Debtors will produce documents on a rolling basis, with such production to be substantially complete not later than five days prior to the expiration of the discovery period, without prejudice to the Reorganized Debtors' right to seek a modification or extension of all such dates.

\* \* \*

Absent a contrary indication specifying any areas of disagreement, the Reorganized Debtors will assume that Texas has no objection to the foregoing. If, however, you would like to discuss any of the above understandings and agreements, do not hesitate to give us a call.

Sincerely,



Michael J. Canning