

**Hearing Date and Time: June 27, 2012 at 10:00 a.m.**

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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re	Chapter 11
Quebecor World (USA) Inc., <u>et al.</u> ,	Case No. 08-10152 (JMP)
Debtors.	Jointly Administered
	Honorable James M. Peck

**REPLY TO THE OBJECTION OF GCIU-EMPLOYER RETIREMENT FUND TO THE  
MOTION TO ENFORCE THE CONFIRMATION ORDER AND THIRD AMENDED  
JOINT PLAN OF REORGANIZATION OF THE QUEBECOR DEBTORS**

The Reorganized Debtors submit this Reply (the "Reply")<sup>1</sup> to the GCIU-Employer Retirement Fund's (the "ERF") Objection to the Reorganized Debtors' Motion to Enforce the Confirmation Order and Third Amended Joint Plan of Reorganization of the Quebecor Debtors (Docket No.4903) (the "Objection").

**PRELIMINARY STATEMENT**

1. The Reorganized Debtors filed the Motion because, in the almost three years since the Effective Date of the Plan, the ERF has virtually ignored the specific language of the

<sup>1</sup> Unless otherwise defined herein, capitalized terms used in this Reply shall have the meanings ascribed to them in the Motion to Enforce the Confirmation Order and Third Amended Joint Plan of Reorganization of the Quebecor Debtors (Docket No. 4866) (the "Motion").

Plan and Confirmation Order in respect of any partial withdrawal liability associated with the closure of the Memphis Facility, and the corresponding cessation of any contribution obligation in respect thereof, which closure and cessation of contribution obligation occurred prior to the Effective Date of the Plan such that any partial withdrawal liability associated therewith was discharged and released pursuant to the terms of the Plan and Confirmation Order.

2. Specifically, without regard to the agreed upon language of Article 10.2 of the Plan, which provides, in part, for the discharge of all liability, including withdrawal liability, to the extent such liability relates to a termination of employment which occurred prior to the Effective Date, the ERF issued the Withdrawal Liability Assessment Letter, executed by Mathew Wenner as Administrator of the ERF, in August 2011, making demands for payments in respect of the closure of the Memphis Facility in the amount of \$1,381,981. When advised by the Reorganized Debtors that the Memphis Partial Withdrawal Liability being asserted by the ERF was resolved by the confirmed Plan in the Chapter 11 Cases by letter dated February 15, 2012, to Mathew Wenner (a copy of which is attached hereto as Exhibit A), the ERF offered no response to the Reorganized Debtors, proceeding instead to act in all respects as if the Reorganized Debtors remain liable for the Memphis Partial Withdrawal Liability, notwithstanding the discharge and injunction provided for under the Plan and Confirmation Order.

3. In light of the ERF's failure to respond to the Reorganized Debtors' entreaties regarding the Withdrawal Liability Assessment Letter and the Memphis Partial Withdrawal Liability, the Reorganized Debtors were compelled to file the Motion seeking an order of this Court enforcing the Plan and Confirmation Order in respect thereof.

4. Indeed, even the filing and service of the Motion, and the subsequent filing of the Notice of Adjournment of the Hearing on the Motion, failed to elicit any response from the ERF.

It was only when ERISA counsel to the Reorganized Debtors called counsel to the ERF the day before the adjourned hearing, which was scheduled for June 12th, did the ERF respond, requesting a further adjournment of the hearing to June 27, 2012. Thereafter, after almost three years of silence, the ERF filed its Objection to the Motion.

Notice.

5. In the first instance, the ERF argues that the Motion should be denied because:
  - (i) The Plan and the Disclosure Statement failed to disclose the shutdown and closure of the Memphis Facility;
  - (ii) The Debtors failed to serve a copy of the plant closure agreement related to the shutdown of the Memphis Facility on the ERF; and
  - (iii) The Debtors continued to file a monthly contribution report for one employee related to the Memphis Facility through November 2009.

6. The apparent import of these notice arguments is that the ERF failed to have notice of the shutdown and closure of the Memphis Facility prior to the Effective Date, and thus any partial withdrawal liability associated with the closure of the Memphis Facility should not be discharged under the Plan and Confirmation Order. Frankly, these arguments are not only irrelevant, but they are factually incorrect, as the ERF did, in fact, have actual knowledge of the closure of the Memphis Facility prior to both the confirmation of the Plan and the Effective Date, whereupon any such partial withdrawal liability was discharged by the specific terms of the Plan and Confirmation Order.

Arbitration.

7. In its Objection, the ERF also argues that this Court should abstain from ruling on the Motion because the issue of partial withdrawal liability associated with the shutdown and

closure of the Memphis Facility is currently the subject of a pending arbitration. Once again, this argument is a misleading and inaccurate assertion by the ERF.

8. In fact, subsequent to the filing of the Motion (which was only required because of the ERF's disregard of the Reorganized Debtors' proffer that any partial withdrawal liability incident to the closure of the Memphis Facility was discharged under the Plan), the Reorganized Debtors filed the requisite "request for arbitration" on May 4, 2012, the last day permitted under applicable ERISA law, solely to protect and reserve the Reorganized Debtors' rights pending the Court's resolution of the Motion. Indeed, immediately following the Reorganized Debtors' request for arbitration, the arbitration process was stayed -- before any arbitrator could be appointed, or even before a venue for any arbitration could be selected!

9. Moreover, to suggest that the Court should abstain from ruling on the Motion because there is an active, substantive arbitration currently pending in respect of any partial withdrawal liability claim incident to the closure of the Memphis Facility is wholly disingenuous.

Compromise/Plan Language.

10. Finally, the ERF points out in its Objection that the language in the Plan and Confirmation Order related to post-Effective Date withdrawal liability was modified in response to an objection raised by the ERF on the eve of confirmation of the Plan. That notation is correct. In fact, however, the compromise reached, and set forth in the Plan, dealt precisely with the issue of withdrawal liability addressed in the Motion, as the Plan was modified to specifically differentiate between terminations of employment prior to the Effective Date and those that occurred after the Effective Date, with the former being discharged. Thus, by the Motion the

Reorganized Debtors seek to enforce the very compromise reached with the ERF and evidenced by the Plan.

11. Moreover, the Reorganized Debtors believe that the actions of the ERF evidence a purposeful disregard for the Plan, the Confirmation Order and the bankruptcy process, and constitute nothing more than a last minute attempt, three years after the Effective Date, to recover on claims that were specifically identified and discharged by Order of this Court upon the Effective Date of the Plan.

**I. THE ERF HAD NOTICE OF THE SHUTDOWN AND CLOSURE OF THE MEMPHIS FACILITY PRIOR TO THE EFFECTIVE DATE**

12. Recognizing that it cannot affirmatively state that it did not have notice of the cessation of all covered operations at the Memphis Facility prior to the Effective Date, and the concomitant cessation of the Debtors' contribution obligation in respect thereof, the ERF instead implies that it had no notice of the shutdown and closure of the Memphis Facility by indicating that the Debtors failed to disclose the shutdown of the Memphis Facility in the Disclosure Statement, failed to serve a copy of the plant closure agreement on the ERF, and continued to file monthly contribution reports in respect of the Memphis Facility through November 2009. In each instance, these assertions are inaccurate and/or irrelevant. Moreover, the ERF did, in fact, have actual notice of the closure of the Memphis Facility prior to the Effective Date.

13. With respect to the Disclosure Statement, the ERF points out that the as-filed Disclosure Statement, which was prepared before the closure of the Memphis Facility, did not specifically reference the shutdown of the Memphis Facility in the "Sales of Non-Core Assets, Closure of Underperforming Facilities and other Cost-Savings Initiatives" subsection of the Disclosure Statement. In this regard, this subsection of the Disclosure Statement was intended to provide only a general overview of the then status of cost-saving measures in the Chapter 11

Cases. Indeed, this subsection was informational only, and updates to this subsection were generally not made prior to the finalization of the Disclosure Statement, as this information was not material to a creditor's determination as to whether or not to vote for the Plan.

14. Nevertheless, the final form of the Plan and Disclosure Statement provided to creditors as part of the Solicitation Package, as approved by this Court, did, in fact, contain specific references to the closure of the Memphis Facility. For example, Appendix G to the Disclosure Statement specifically provided that: “**2009 restructuring initiatives:** During the first quarter of 2009, there were restructuring initiatives in North America related to *the closures of the Memphis, TN facility, completed in April 2009* and the closure of the Covington, TN facility that is expected to be completed in the third quarter of 2009.” See Appendix G, Unaudited Consolidated Financial Statements, at pg. 18 (emphasis added). Further, Appendix D to the Disclosure Statement specifically stated that: “[r]estructuring initiatives included in the Projections comprise the closure or downsizing of various facilities, including the *recently announced closures of the Memphis, Tennessee and Covington, Tennessee facilities . . . .*” See Appendix D, Financial Projects, at pg. 4 (emphasis added). Copies of the relevant pages of each of these appendices are attached hereto as Exhibit B.

15. As to the plant closure agreement, it is noteworthy that the ERF states that they were not “served” with a copy of the plant closure agreement, not that they never received or had a copy of the plant closure agreement. Frankly, the Reorganized Debtors are aware of no requirement that a copy of a plant closure agreement be “served” on the ERF as a condition to a partial withdrawal from a plan, and this argument is nothing more than an attempt to suggest some non-compliance by the Debtors in connection with the closure of the Memphis Facility.

16. In addition to its reference to the Disclosure Statement and the plant closure agreement, the ERF also implies that they did not have notice of the closure of the Memphis Facility because the Debtors continued to file a monthly contribution report in respect of the Memphis Facility through November 2009. Frankly, this assertion also lacks credibility in light of the dramatic spike in the amount of the contributions made in respect of the Memphis Facility upon its closure, followed by an equally dramatic decrease in the month following the closure (*i.e.*, payments were made in arrears). Specifically, during the first four months of 2009, the monthly contribution made to the ERF on account of the Memphis Facility averaged approximately \$15,000. The contribution report for May 2009, however, reflected an aggregate contribution of approximately \$42,000, as it included the additional severance and vacation payments that vested upon the shutdown of the Memphis Facility that took place the prior month. Then, the contribution report filed in respect of the Memphis Facility in June reflected a total payment of approximately \$2,000, clearly highlighting the effect of the facility's closure in April 2009 (copies of the contribution reports for April-June 2009 are attached hereto as Exhibit C). Indeed, the contribution report attached to the declaration of Judi Knore in support of the Objection itself reflects that by September 2009 there was but one individual at the Memphis Facility, and this individual was performing non-covered services associated with the shutdown of the Memphis Facility.

17. Moreover, given the significant increase, followed immediately by the dramatic reduction, in the amount of contributions made in respect of the Memphis Facility between April and June 2009, as reflected in the contribution reports filed, it is simply not credible that the ERF could be unaware of the closure of the Memphis Facility.

18. Frankly, it is not necessary to speculate as to the import of the ERF's statements in the Objection as to notice of the closure of the Memphis Facility, as in any event it is clear that the ERF had actual notice of the shutdown and closure of the Memphis Facility before the Effective Date. Specifically, by letter to Mathew Wenner of June 29, 2009 (the "Sirot Letter," a copy of which is attached to the Declaration of Debbie Sirot, which is attached hereto as Exhibit D), Debbie Sirot, then the Director of US Retirement and Health & Welfare Plans of Quebecor, following up on prior discussions with Mr. Wenner, specifically referenced the closure of the Memphis Facility and requested an estimate of the withdrawal liability associated with such closure.<sup>2</sup> Importantly, this letter and the discussions referenced therein, took place prior to the confirmation of the Plan and the Effective Date, clearly confirming the ERF's knowledge of the closure of the Memphis Facility prior to the Effective Date.

19. Moreover, the Reorganized Debtors believe that neither a recitation of the closure of the Memphis Facility in the Disclosure Statement, nor service of the plant closure agreement on the ERF or the filing of contribution reports for one non-covered employee through September 2009 is relevant to the discharge of any partial withdrawal liability claim arising upon such closure, but to the extent that the ERF suggests in its Objection that notice of such closure is relevant, it cannot be disputed that the ERF did, in fact, have actual notice of such closure prior to the Effective Date. Indeed, with no covered operations of the Debtors at the Memphis Facility after April 2009, and the concomitant cessation of the Debtors' contribution obligations in respect thereof, together with the transfer of all remaining customers and print production to other locations, the shutdown of the Memphis Facility, and any partial withdrawal liability

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<sup>2</sup> In addition to Ms. Sirot's communications with Mathew Wenner regarding the closure of the Memphis Facility, other documents would have been circulated in connection with the closure of the Memphis Facility, including, for example, the Worker Adjustment and Retraining Notification Act (WARN) notices, dated March 3, 2009 (copies of which are attached hereto as Exhibit E).



associated therewith, occurred in April 2009, and was clearly known to the ERF prior to the Effective Date.

**II. THERE IS NO ACTIVE ARBITRATION AND ABSTAINING FROM RULING ON THE MOTION WOULD CONFLICT WITH THE TERMS OF THE PLAN AND CONFIRMATION ORDER**

20. The ERF argues that the Court should abstain from ruling on the Motion, and should instead defer to a pending arbitration related to the Memphis Partial Withdrawal Liability associated with the closure of the Memphis Facility. This request is wholly inappropriate, as any partial withdrawal liability arising from the shutdown and closure of the Memphis Facility and the cessation of the Debtors' contribution obligation in respect thereof was resolved and discharged under the Plan and Confirmation Order, and is not, in fact, subject to any pending, substantive arbitration.

21. Once again, the cessation of all covered operations at the Memphis Facility, and the cessation of the Debtors' contribution obligation incident thereto, occurred in April 2009, and, as evidenced by the Sirot Letter, the Debtors affirmatively solicited the amount of the Memphis Partial Withdrawal Liability from the ERF by June 29, 2009. Nevertheless, for almost two years thereafter the Reorganized Debtors heard nothing from the ERF, until August 2011, when the ERF issued the Withdrawal Liability Assessment Letter demanding the Memphis Partial Withdrawal Liability.

22. As noted above, when subsequently advised by the Reorganized Debtors that the Memphis Partial Withdrawal Liability had, in fact, been resolved by the Plan, the ERF once again failed to respond, which ultimately required the Reorganized Debtors to first file the Motion seeking to enforce the discharge and injunction provisions of the Plan and Confirmation Order, and then to file a "request for arbitration" on May 4, 2012, the last day permitted under

applicable ERISA law, in order to protect and reserve their rights pending the Court's resolution of the Motion.

23. Absolutely nothing has transpired in respect of the arbitration -- no arbitrator has been appointed, no venue has been determined, and, indeed, all actions have been stayed relative to the arbitration.

24. Frankly, the Debtors were only required to file the Motion, and thereafter the "request for arbitration," because of the ERF's continual disregard for the Plan, the Confirmation Order and the Debtors' entreaties, including the Sirot Letter of June 29, 2009, and the letter to Mr. Wenner of February 15, 2012, and the ERF should not now be rewarded for their inattentiveness and disregard for the bankruptcy process by being afforded an unwarranted and inappropriate arbitration process when there is no reason to arbitrate if the claim has been discharged.

25. Any partial withdrawal liability arising incident to the closure of the Memphis Facility was discharged under the Plan and Confirmation Order, and as a result of the ERF's failure to file any proofs of claim asserting claims against the Debtors on account of such partial withdrawal liability, the ERF is now precluded from any treatment and recovery under the Plan, a fact that, after three years of disregard, the ERF has now come to realize.

26. Accordingly, upon its realization that it will receive no recovery on account of any partial withdrawal liability claims incident to the closure of the Memphis Facility, the ERF has filed the Objection, and therein seeks to mislead the Court into believing that the partial withdrawal liability is currently the subject of an active, substantive arbitration. This is simply not the case, and the Court should reject this proffer and should instead enforce the discharge and injunction provisions of the Plan and Confirmation Order.

27. This Court clearly has jurisdiction to interpret and enforce its own orders. See Luan Inv. S.E. v. Franklin 145 Corp. (In re Petrie Retail, Inc.), 304 F.3d 223, 230 (2nd Cir. 2002) (citations omitted) (“[a] bankruptcy court retains post-confirmation jurisdiction to interpret and enforce its own orders, particularly when disputes arise over a bankruptcy plan of reorganization”); see also Travelers Indem. Co. v. Bailey, 129 S. Ct. 2195, 2205 (2009) (finding that the “Bankruptcy Court plainly had jurisdiction to interpret and enforce its own prior order”); see also In re Charter Commc’ns, No. 09-11435 (JMP), 2010 WL 502764, at \*3 (Bankr. S.D.N.Y. Feb. 8, 2010).

28. As the Court’s jurisdiction over the enforcement of its own orders is uncontroverted, the ERF argues instead that an action to enforce or challenge withdrawal liability should be referred to arbitration. Objection¶ 17. The ERF is simply wrong, as there is no such requirement that all matters related to withdrawal liability must be referred to arbitration, and the cases cited by the ERF in this regard address issues that are not relevant here, where a claim has been discharged. Contrary to those cases, abstention in this case would have an adverse effect on the orderly administration of the Reorganized Debtors’ estate, particularly where a claim has already been previously discharged, and it is well settled that a bankruptcy court should enforce the terms of its own confirmation order. See Alderwoods Group, Inc. v. Garcia, 2012 WL 1940336 (11<sup>th</sup> Cir. May 30, 2012) (finding that the appropriate court to enforce the confirmation order and impose sanctions for a violation of the discharge order was the Delaware Bankruptcy Court that issued the confirmation order).

29. There is little dispute that bankruptcy court’s can exercise jurisdiction over post-confirmation implementation of a confirmed plan, or enforcement of their own orders. See Ins. Co. of N. Am. v. NGC Settlement Trust & Asbestos Claims Mgmt. Corp. (In re Nat’l Gypsum

Co.), 118 F.3d 1056, 1069 (5th Cir. 1997) (finding that even though there was an otherwise applicable arbitration clause the bankruptcy court did not abuse its discretion in denying the request to stay the adversary proceeding and compel arbitration, because the dispute at issue related to injunctive rights created by the Bankruptcy Code); see also Zimmerli v. Ocwen Loan Servicing, LLC, 432 B.R. 238, 244 (Bankr. N.D. Tex. 2010) (finding that the “Court’s power to ensure obedience to its own orders weigh[ed] in favor of denying enforcement” of arbitration).

30. Accordingly, this Court, not an arbitrator, has authority to determine whether the Memphis Partial Withdrawal Liability was discharged and the ERF is enjoined by the terms of the Confirmation Order and Plan. To that end, paragraph 33 of the Confirmation Order specifically reserved jurisdiction of this Court over all matters arising out of and related to the Chapter 11 Cases and the Plan, including, without limitation, those items and matters set forth in Article XII of the Plan, which reserves to this Court exclusive jurisdiction to hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan.

### III. PLAN COMPROMISE

31. As noted above, the operative language in the Plan specifically provides for the discharge of all claims, including withdrawal liability that arises from a termination of employment prior to the Effective Date. In this regard, Article 10.2 of the Plan states:

Pursuant to section 1141(d) of the Bankruptcy Code, except as otherwise specifically provided in the Plan or in the Confirmation Order, the distributions and rights that are provided in the Plan shall be in complete satisfaction, discharge, and release, effective as of the Effective Date, of Claims and Causes of Action, whether known or unknown, against, liabilities of, liens on, obligations of, rights against, and Interests in the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims, rights, and Interests, including, but not limited to, **Claims and Interests that arose before the Effective Date, any liability**

**(including withdrawal liability) to the extent such Claims relate to services performed by employees of the Debtors prior to the Petition Date and that arise from a termination of employment or a termination of any employee or retiree benefit program which occurred prior to the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(I) of the Bankruptcy Code, in each case whether or not (a) a proof of claim or interest based upon such Claim, debt, right, or Interest is filed or deemed filed under section 501 of the Bankruptcy Code, (b) a Claim or Interest based upon such Claim, debt, right, or Interest is allowed under section 502 of the Bankruptcy Code, or (c) the holder of such a Claim, right, or Interest accepted the Plan. The Confirmation Order shall be a judicial determination of the discharge of all Claims against and Interests in the Debtors, subject to the occurrence of the Effective Date.**

See Article 10.2 of the Plan (emphasis added).

32. As noted in the ERF's Objection, the language in Article 10.2 of the Plan set forth above was the result of a compromise reached with the ERF in response to their objection to confirmation of the Plan. As stated in the Objection to Motion, "[o]ne of the objections asserted by the ERF was that the Debtor's proposed Plan contained overly broad discharge provisions and seemed to suggest that if the Debtors terminated an employment agreement after the Effective Date, any claims arising under such post-Effective Date termination would be discharged under the Plan." Objection, ¶ 5.

33. In this regard, a blackline reflecting the original language in Article 10.2 revised to reflect the changes made in response to the ERF's objection to the Plan is set forth below:

Pursuant to section 1141(d) of the Bankruptcy Code, except as otherwise specifically provided in the Plan or in the Confirmation Order, the distributions and rights that are provided in the Plan shall be in complete satisfaction, discharge, and release, effective as of the Effective Date, of Claims and Causes of Action, whether known or unknown, against, liabilities of, liens on, obligations of, rights against, and Interests in the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims, rights, and Interests, including, but not limited to, Claims

and Interests that arose before the Effective Date, any liability (including withdrawal liability) to the extent such Claims relate to services performed by employees of the Debtors prior to the Petition Date and that arise from a termination of employment or a termination of any employee or retiree benefit program, regardless of whether such termination which occurred prior to, on or after the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not (a) a proof of claim or interest based upon such Claim, debt, right, or Interest is filed or deemed filed under section 501 of the Bankruptcy Code, (b) a Claim or Interest based upon such Claim, debt, right, or Interest is allowed under section 502 of the Bankruptcy Code, or (c) the holder of such a Claim, right, or Interest accepted the Plan. The Confirmation Order shall be a judicial determination of the discharge of all Claims against and Interests in the Debtors, subject to the occurrence of the Effective Date.

34. As is evident from a review of the initially proposed language in Article 10.2 of the Plan and the language finally agreed upon in response to the ERF's Plan objection, the parties agreed that the discharge of withdrawal liability associated with the termination of employment on or after the Effective Date would not be allowed, but that the discharge in respect of any termination of employment that occurred prior to the Effective Date would be effective.

35. Accordingly, the closure of the Memphis Facility was known to the ERF prior to the Effective Date, and any withdrawal liability related to the closure of the Memphis Facility and the cessation of the Debtors' contribution obligations in respect thereof was discharged under the Plan and Confirmation Order pursuant to the plain language of the Plan, as agreed upon by the Debtors and the ERF in connection with confirmation of the Plan.

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36. The Motion before the Court seeks an Order directing the ERF to comply with the Plan and Confirmation Order by withdrawing, with prejudice, the Withdrawal Liability Assessment Letter and enjoining the ERF from issuing any assessment or otherwise seeking to collect or enforce any amounts on account of any partial withdrawal liability that arose in connection with the shutdown and closure of the Memphis Facility. As the ERF has failed to provide any justifiable basis as to why the Plan and Confirmation Order should not be enforced in accordance with their terms, the Objection should be overruled and the Motion granted.

WHEREFORE, the Reorganized Debtors respectfully request that the Court overrule the Objection and grant the relief requested in the Motion.

Dated: June 26, 2012  
New York, New York

Respectfully submitted,

/s/ Michael J. Canning  
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*Counsel for the Reorganized Debtors*

**EXHIBIT A**





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Sussex, WI  
53089-2827  
tel 414.566.6000

February 15, 2012

Mathew J. Wenner  
Administrator  
GCIU-Employer Retirement Fund  
13191 Crossroads Pkwy N., Suite 205  
City of Industry, CA 91746-3434

Re: August 10, 2011 Notice of 2009 Partial Withdrawal Liability  
Quad/Graphics, Inc. Memphis, TN (9290/A)

Dear Mr. Wenner:

We are in receipt of the above-referenced notice regarding the Fund's assertion of withdrawal liability on Quad/Graphics, Inc. (the "Company").

As you know, we have been waiting to hear from the Fund to continue our discussions regarding resolving any complete withdrawal liability the Company may have in one lump sum payment once all assessments were received. However, as we have not heard back from you, we have reassessed this matter and believe it is prudent to address the current partial assessment now.

We believe that any underlying liability related to the above referenced proposed assessment was addressed in the Chapter 11 bankruptcy proceedings of Quebecor World (USA) Inc., and its affiliated debtor entities (In re Quebecor World (USA) Inc., *et al.*, Case No. 08-10152 (JMP)) pending in the United States Bankruptcy Court for the Southern District of New York. We have included for your reference a copy of the Debtors' Third-Amended Joint Plan of Reorganization, as modified (the "Plan"), which became effective on July 21, 2009, as well as the Order of the Bankruptcy Court entered on July 2, 2009, confirming the Plan.

Please note of course that the Company reserves any and all of its rights, remedies and defenses in respect of any asserted withdrawal liability of the Company to the Fund.

If you have any questions, please do not hesitate to contact me. I look forward to continuing our prior discussions.

Sincerely,

QUAD/GRAPHICS, INC.

A handwritten signature in black ink, appearing to read 'Gregg Bolt', written over a horizontal line.

Gregg Bolt  
Vice President of Human Resources

**EXHIBIT B**

Appendix D

**Financial Projections**

(c) Commodities:

The Company uses both natural gas and electricity in its printing process. The Projections include a 32% reduction in average annual natural gas prices in North America in 2009 from 2008 to \$6.85 per MMBTU, increasing steadily to \$8.40 per MMBTU in 2012. An electricity average-rate increase of 3% in 2009, a decrease of 2% in 2010 and an increase of 2% in each of 2011 and 2012 are also included in the Projections.

(d) Depreciation and Amortization:

The Projections include depreciation which is calculated using the straight-line method over the estimated useful lives of the Company's property, plant and equipment. The original useful lives vary between 15 and 40 years for buildings and between 3 and 18 years for machinery and equipment. The Company will also have finite-life intangible assets related to customer relationships on adoption of fresh start reporting on which it recognizes an amortization expense. The amortization expense attributable to these finite-life intangible assets is also included in the Projections. The amount of depreciation and amortization expense included in the Projections is based upon the estimated fair values of these assets, reflecting the impact of the adoption of fresh start reporting on the July 1, 2009. Refer to the Fresh Start Reporting discussion below for details on the fresh start reporting adjustments recorded. Total depreciation and amortization expenses assumed in the Projections are \$201 million in 2009, \$186 million in 2010, \$182 million in 2011 and \$175 million in 2012.

(e) Impairment of Assets, Restructuring and Other Charges ("IAROC"):

The Projections include various restructuring initiatives, again to better align the Company's cost structure to the rapidly changing economic environment. IAROC includes the one-off costs of these initiatives. Restructuring initiatives included in the Projections comprise the closure or downsizing of various facilities, including the recently announced closures of the Memphis, Tennessee and Covington, Tennessee facilities, as well as various projected headcount reductions. The estimated cost savings associated with these initiatives have been included in the Projections as reductions in Operating Expenses; approximately \$40 million in 2009, \$67 million in 2010, \$77 million in 2011 and \$89 million in 2012.

**Financial Expenses:** Financial expenses included in the Projections for 2009 include estimated interest on the predecessor company's DIP financing in addition to accrued interest on pre-petition debt for the first half of the year. From July 10, 2009 through the rest of the Projection Period, financial expenses represent the working estimates of interest paid on exit financing and assumed predecessor debt, PIK interest on the unsecured rollover notes, and amortization of discounts and other debt issuance costs which are further described below in Part B. Projected Consolidated Balance Sheet Assumptions. Financial expenses through the Projection Period decrease with the re-payment of the ABL revolving credit facility.

**Dividends on Preferred Shares Classified as Liability:** These expenses relate to estimated dividends on preferred shares classified as liabilities which are described below in Part B. Projected Consolidated Balance Sheet Assumptions.

Appendix G

**Unaudited Consolidated Financial Statements for the Three Month Periods  
Ended March 31, 2009 and March 31, 2008**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**7. Impairment of Assets, Restructuring and Other Charges**

The following table details the charge for impairment of assets, restructuring and other charges and pension settlements related to continuing operations:

	Periods ended March 31	
	2009	2008
Restructuring and other charges	\$ 15.2	\$ 19.9
Impairment of assets		16.7
	\$ 15.2	\$ 36.6

**Restructuring and other charges**

The following table details the Corporation's restructuring and other charges and the change in the reserve for restructuring and other charges:

As of March 31, 2009	2009 Initiatives	Prior Year Initiatives	Total
<b>Expenses</b>			
Workforce reduction	\$ 13.2	\$ 1.1	\$ 14.3
Leases and carrying costs for closed facilities		1.6	1.6
	13.2	2.7	15.9
<b>Underspending</b>			
Workforce reduction		(0.7)	(0.7)
<b>Total expenses</b>	13.2	2.0	15.2
<b>Payments</b>			
Workforce reduction	(1.5)	(8.5)	(10.0)
Leases and carrying costs for closed facilities		(2.0)	(2.0)
	(1.5)	(10.5)	(12.0)
<b>Net change</b>	11.7	(8.5)	3.2
Foreign currency changes		(0.2)	(0.2)
Balance, beginning of the period		25.9	25.9
<b>Balance, end of the period</b>	\$ 11.7	\$ 17.2	\$ 28.9

**2009 restructuring initiatives**

During the first quarter of 2009, there were restructuring initiatives in North America related to the closures of the Memphis, TN facility, completed in April 2009 and the closure of the Covington, TN facility that is expected to be completed in the third quarter of 2009. Certain employees of these facilities were participants of multiemployer pension plans and, due to insufficient information, the Corporation cannot reasonably estimate the amount of the employer withdrawal liability. There were also various headcount reductions across North America. The total cost of these initiatives is expected to be \$24.0 million, of which \$14.9 million is for workforce reduction and \$9.1 million is for leases and closed facilities. These initiatives are expected to be completed by the end of 2009.

As at March 31, 2009, the balance of the restructuring reserve was \$28.9 million of which \$9.5 million is presented as liabilities subject to compromise (Note 5). The total cash disbursement related to this reserve is expected to be \$28.8 million for the remainder of 2009. Finally, the Corporation expects to record additional charges of \$15.3 million in the upcoming quarters for the restructuring initiatives that have been announced as at March 31, 2009.

**EXHIBIT C**

**Quebecor World Printing Memphis  
P. O. Box 16037  
Memphis, TN 38116**

**Manual Check Request Form/Accounts Payable Voucher**

Today's date: 04/28/09

Date check needed: NCR

Pay to: G.C.I.U. EMPLOYER RETIREMENT FUND

Address: PO BOX 30549  
LOS ANGELES, CA 90030-0549

Amount: ~~\$16,434.60~~

For: PENSION - MATERIAL HANDLERS  
PER ATTACHED

Requested by: CYNTHIA CROOK ENTERED 4/28/09

Approved by: *Dan Whaley*

Vendor Name: GCIU EMPLOYER RETIREMENT		39683	
Voucher Number 1623		Invoice Number 042809-MPHS	Invoice Date 4/28/2009
Type	Period 04	Discount Amount	Allowable
Cost Center 0000	Account 021050	Sub Account 0205	Amount
	9290-MATERIAL HANDLER PENSION 04/09		\$7,800.00
	9290-MATERIAL HANDLER PENSION ERF 04/09		\$390.00
	9290A-PRESSMAN PENSION 04/09		\$7,852.00
	9290A-PRESSMAN PENSION ERF04/09		\$392.60
0000	020110	0000	
CRC Acct#	032-000-224-02		
CRC P.O.#	Extended	Audited	Approved



**Quebecor World Printing Memphis**  
**P. O. Box 16037**  
**Memphis, TN 38116**

**Manual Check Request Form/Accounts Payable Voucher**

Today's date: 05/26/09

Date check needed: NCR

Pay to: G.C.I.U. EMPLOYER RETIREMENT FUND

Address: PO BOX 30549  
LOS ANGELES, CA 90030-0549

Amount: \$41,834.52

For: PENSION - MATERIAL HANDLERS  
PER ATTACHED

Requested by: CYNTHIA CROOK

Approved by: *[Signature]* *[Signature]*

ENTERED MAY 29 2009

Vendor Name: GCIU EMPLOYER RETIREMENT		39683	
Voucher Number 1623	Invoice Number 052609-MPHS	Invoice Date 5/26/2009	Due Date
Type	Period 05	Discount Amount	Allowable
Cost Center 0000	Account 021050	Sub Account 0205	Amount
	9290-MATERIAL HANDLER PENSION 05/09		\$19,077.24
	9290A-PRESSMAN PENSION 04/09		\$22,757.28
0000	020110	0000	
CRC Acct#	032-000-224-02		
CRC P.O.#	Extended	Audited	Approved

**Quebecor World Printing Memphis  
P. O. Box 16037  
Memphis, TN 38116**

**Manual Check Request Form/Accounts Payable Voucher**

Today's date: 06/23/09 ENTERED 6/23/09

Date check needed: NCR

Pay to: G.C.I.U. EMPLOYER RETIREMENT FUND

Address: PO BOX 30549  
LOS ANGELES, CA 90030-0549

Amount: \$2,093.28

For: PENSION - MATERIAL HANDLERS  
PER ATTACHED

Requested by: CYNTHIA CROOK

Approved by: *Don Whaley* *OK* *AK*

Vendor Name: GCIU EMPLOYER RETIREMENT		39683	
Voucher Number <b>1623</b>		Invoice Number 062309-MPHS	Invoice Date 6/23/2009
Type	Period 06	Discount Amount	Allowable
Cost Center 0000	Account 021050	Sub Account 0205	Amount
	9290-MATERIAL HANDLER PENSION 06/09		\$1,878.24
	9290A-PRESSMAN PENSION 06/09		\$215.04
0000	020110	0000	
CRC Acct#	032-000-224-02		
CRC P.O.#	Extended	Audited	Approved

**EXHIBIT D**

ARNOLD & PORTER LLP  
399 Park Avenue  
New York, New York 10022-4690  
Telephone: (212) 715-1000  
Facsimile: (212) 715-1399  
Michael J. Canning  
Rosa J. Evergreen

*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

**DECLARATION OF DEBORAH L SIROT IN SUPPORT OF THE REPLY TO THE  
OBJECTION OF GCIU-EMPLOYER RETIREMENT FUND TO THE MOTION OF  
THE REORGANIZED DEBTORS TO ENFORCE THE CONFIRMATION ORDER AND  
THIRD AMENDED JOINT PLAN OF REORGANIZATION OF  
THE QUEBECOR DEBTORS**

I, Deborah L. Sirot, declare under penalty of perjury as follows:

1. In June 2009, I was the Director of US Retirement and Health & Welfare Plans for Quebecor World, and I am currently responsible for certain US Pension plans for Quad/Graphics.<sup>1</sup> My duties and responsibilities for each of Quebecor World and Quad/Graphics have included retirement and pension plans and employee issues.

<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Reply.

2. In this capacity, I am generally familiar, and have been familiar, with the Reorganized Debtors' bankruptcy proceedings, and legacy Quebecor World's pension plans, including multi-employer pension plans and issues related thereto.

3. I submit this declaration in support of the Reorganized Debtors' Reply to the Objection of GCIU-Employer Retirement Fund to the Motion to Enforce the Confirmation Order and Third Amended Joint Plan of Reorganization of the Quebecor Debtors.

4. Attached hereto is a true and correct copy of a letter I sent to Mr. Wenner on or about June 29, 2009.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: June 26<sup>th</sup> 2012

North Haven, CT



Deborah L. Sirot

June 29, 2009

Mathew J. Wenner  
Administrator  
GCIU-Employer Retirement Fund  
13191 Crossroads Parkway N., Suite 205  
City of Industry, CA 91746-3434

**Re: Quebecor World Memphis Withdrawal Liability Estimate Request**

Dear Mathew:

Per our discussion will you kindly arrange for us to get a preliminary estimate of the withdrawal liability for the Quebecor World Memphis plant as soon as possible.

The plant closure was announced on March 3, 2009 and the layoffs began soon thereafter and continued through the months of April and May. There are presently 11 employees left in the plant handling HR and maintenance issues.

Please let me know if you need anything further. Thanks for your assistance.

Sincerely,



Debbie Sirot  
Director of US Retirement and Health & Welfare Plans

**EXHIBIT E**



**Quebecor World**

March 3, 2009

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Mr. Terry Thomas  
Graphics Communication Conference/International Brotherhood of Teamsters  
Local 231M  
7948 Winchester Road #109-12  
Memphis, TN 38125

Re: NOTICE OF PLANT SHUTDOWN

Dear Mr. Thomas:

As the bargaining agent of the employees in the pressrooms (including employees employed as press operators, and press assistants), all employed at the Quebecor World Memphis Plant in Memphis, TN, this letter serves as formal notice of a plant shutdown at that employment site. The information contained herein serves as full satisfaction of Quebecor World Memphis' obligations under the Worker Adjustment and Retraining Notification Act (1988) (WARN), 29 U.S.C. § 2101, *et seq.*, regulations promulgated thereunder, and applicable state law. The specifics of this plant shutdown are as follows:

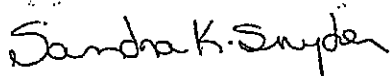
1. The plant shutdown will occur at the Quebecor World Memphis Plant, 828 East Holmes Road, Memphis, TN 38116.
2. The shutdown of the Memphis Plant will be permanent, and will affect approximately thirty-five (35) press operators and press assistants employed under the terms of the collective bargaining agreement with your local union.
3. The expected date of the plant shutdown is April 16, 2009 or within fourteen (14) days after that date. If it is necessary that some layoff dates may need to be extended, a supplemental notice of permanent layoff will be given affected employees as soon as such extended employment date is determined. Enclosure 1 reflects the anticipated permanent layoff date, or within fourteen (14) days of that date, for employees by job title/position covered under the agreement with your local union whom we anticipate will be affected by this layoff.
4. As this is a plant shutdown, bumping rights would not apply. For additional information regarding this plant shutdown you may contact me, Sandra K. Snyder, Human Resources Manager, Quebecor World Memphis, 828 East Holmes Road, Memphis, TN 38116, phone, (901) 348-6532, (615) 441-9211 or cell (615) 337-2015.

Quebecor World Memphis \* 828 E. Holmes Rd. \* Memphis, TN 38116



If you have any questions, please contact me. Furthermore, if you deem that this notice is insufficient in any manner, please contact me immediately. In the next few days, we will contact you to establish a time which we can meet and discuss the effects of this layoff on the members of the bargaining unit.

Sincerely,



Sandra K. Snyder, SPHR  
Human Resources Manager

Enclosure

CC: S. Heffler  
G. Gavin  
D. McCarthy  
Wayne Ghetlie  
Joe O'Conner  
Phillip Roberts



**Quebecor World**

March 3, 2009

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Ms. Joan Craig  
Director  
Dislocated Worker Unit  
Tennessee Department of Labor and Workforce Development  
220 French Landing Drive  
Nashville, TN 37243-0658

Re: NOTICE OF PLANT SHUTDOWN

Dear Ms. Craig:

This letter serves as formal notice of the decision to permanently shutdown our Memphis plant, (hereafter "Quebecor World Memphis Plant"). The information contained herein serves as full satisfaction of Quebecor World Memphis' obligations under the Worker Adjustment and Retraining Notification Act (1988) (WARN), 29 U.S.C. § 2101, *et seq.* and applicable state law. The specifics of this layoff are as follows:

1. Location: Quebecor World Memphis  
828 East Holmes Road  
Memphis, TN 38116
2. The shutdown of the Memphis Plant will be permanent, and will affect approximately one hundred eleven (111) employees in various job classifications within the plant.
3. For additional information regarding this permanent shutdown and bumping you may contact:

Sandra K. Snyder  
Quebecor World Memphis  
828 East Holmes Road  
Memphis, TN 38116  
(901) 348-6532/(615) 441-9211  
Cell: (615) 337-9211

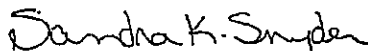
4. The expected date of the permanent shutdown is April 16, 2009 or within fourteen (14) days after that date. If it is necessary that some layoff dates may need to be extended, a supplemental notice of permanent layoff will be given affected employees as soon as such extended employment date is determined. Enclosure 1 reflects the anticipated permanent layoff date, or within fourteen (14) days of that date, for affected employees by job title/position for employees covered under the agreements with the local unions at the premises.
5. A specific listing of job titles/positions affected by the planned permanent Layoff by department is provided in Enclosure 1.

Quebecor World Memphis \* 828 E. Holmes Rd. \* Memphis, TN 38116

6. There are five (5) bargaining units at the Quebecor World Memphis Plant. The Business Agent for all unions is Mr. Terry Thomas. His contact information is Terry Thomas, 7948 Winchester Road #109-127, Memphis, TN 38125. Mr. Thomas' telephone number is (901) 756-5731. The Bargaining Units and alternate contacts are listed below:
  - a. Press Operators within the pressrooms are represented by Local 231M, Graphic Communications Conference/International Brotherhood of Teamsters and are covered by the terms and conditions of a collective bargaining agreement. An additional contact for this unit is Mr. Wayne Ghettie, 7439 Northwind, Memphis, TN 38125. Mr. Ghettie's telephone number is (901) 756-1762.
  - b. Material Handlers and Paper Handlers within the pressrooms and the shipping & receiving department, and maintenance mechanics employed within the maintenance department are represented by Local 23 H, Graphic Communications Conference/International Brotherhood of Teamsters and are covered by the terms and conditions of a collective bargaining agreement. An additional contact for this Unit is Mr. Litdell Gales, 2770 Lester Road, Nesbit, MS 38651. Mr. Gales' telephone number is (662) 429-7261.
  - c. Photoengraver employees (platers, helio operators & apprentices) within the cylinder processing department are represented by Local 223M, Graphic Communications Conference/International Brotherhood of Teamsters and are covered by the terms and conditions of a collective bargaining agreement. A separate agreement with this local union covers electrical technicians of the electric shop, and machinists of the machine shop. An additional contact for this unit is: Mr. Michael Sinowetski, 6934 Blackthorn, Walls, MS 38680. Mr. Sinowetski's telephone number is (901) 679-4998.
7. Employees terminated in the GCC/IBT Unions do have bumping rights under terms of the existing collective bargaining agreements to displace other employees in their bargaining units, having less seniority within their job classification. This would not apply in this instance of a Plant Shutdown
8. Of the approximate one hundred eleven (111) employees affected by this notice, twenty-two (28) are not represented by a collective bargaining representative. These employees do not have seniority displacement rights. However, transfers to available vacancies in other Quebecor World locations may be arranged for all affected employees qualified to fill such openings and who are willing to relocate, if necessary.

If you should have any questions concerning this layoff or this notice please contact me.

Sincerely,



Sandra K. Snyder, SPHR  
Human Resources Manager

Enclosure

CC: S. Heffler  
G. Gavin  
D. McCarthy