Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2009

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
APPLETON PAPERS RETIREMENT SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 09/01/1984

2a Plan sponsor's name and address (employer, if for a single-employer plan)
(Address should include room or suite no.)
APPLETON PAPERS INC.

PO BOX 359
APPLETON, WI 54912-0359

2b Employer Identification Number (EIN)
36-2556469

2c Sponsor's telephone number
920-734-9841

2d Business code (see instructions)
322100

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	08/18/2010	THOMAS FERREE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	08/18/2010	JEFFREY FLETCHER
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
APPLETON PAPERS INC.

PO BOX 359
APPLETON, WI 54912-0359

3b Administrator's EIN
36-2556469

3c Administrator's telephone number
920-734-9841

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:
a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	3185
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	2371
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	934
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	3305
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	3305
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	3032
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	27
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2H 2J 2K 2O 2Q 2T 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1)	X	Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)	X	Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	X	**R** (Retirement Plan Information)
(2)		**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)		**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	X		**H** (Financial Information)
(2)			**I** (Financial Information – Small Plan)
(3)	X	1	**A** (Insurance Information)
(4)	X		**C** (Service Provider Information)
(5)	X		**D** (DFE/Participating Plan Information)
(6)			**G** (Financial Transaction Schedules)

SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Insurance Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

OMB No. 1210-0110

2009

This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
APPLETON PAPERS RETIREMENT SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500.
APPLETON PAPERS INC.

D Employer Identification Number (EIN)
36-2556469

Part I **Information Concerning Insurance Contract Coverage, Fees, and Commissions** Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

1 Coverage Information:

(a) Name of insurance carrier
PRINCIPAL LIFE INSURANCE COMPANY

(b) EIN	**(c)** NAIC code	**(d)** Contract or identification number	**(e)** Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	**(g)** To
42-0127290	61271	441462	3305	01/01/2009	12/31/2009

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	**(b)** Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4	Current value of plan's interest under this contract in the general account at year end	4	0
5	Current value of plan's interest under this contract in separate accounts at year end	5	0

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

b	Premiums paid to carrier	6b	
c	Premiums due but unpaid at the end of the year	6c	
d	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount.	6d	

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity

(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐

7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee

(3) ☐ guaranteed investment (4) ☒ other ▶ CUSTODIAL GUARANTEED FUND CONTRACT

b	Balance at the end of the previous year			7b	27471894
c	Additions: (1) Contributions deposited during the year	7c(1)	1226133		
	(2) Dividends and credits	7c(2)			
	(3) Interest credited during the year	7c(3)	686838		
	(4) Transferred from separate account	7c(4)			
	(5) Other (specify below)	7c(5)	4790645		
	▶ OUTSIDE INVESTMENT TRANSFER, LOAN PAYMENT, ROLLOVER				
	(6) Total additions			7c(6)	6703616
d	Total of balance and additions (add **b** and **c(6)**)			7d	34175510
e	Deductions:				
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	3373031		
	(2) Administration charge made by carrier	7e(2)	1467		
	(3) Transferred to separate account	7e(3)			
	(4) Other (specify below)	7e(4)	30801012		
	▶ LOAN WITHDRAWAL, OUTSIDE INVESTMENT TRANSFER, MISTAKE OF FACT REFUND				
	(5) Total deductions			7e(5)	34175510
f	Balance at the end of the current year (subtract **e(5)** from **d**)			7f	0

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organization(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

a ☐ Health (other than dental or vision) **b** ☐ Dental **c** ☐ Vision **d** ☐ Life insurance
e ☐ Temporary disability (accident and sickness) **f** ☐ Long-term disability **g** ☐ Supplemental unemployment **h** ☐ Prescription drug
i ☐ Stop loss (large deductible) **j** ☐ HMO contract **k** ☐ PPO contract **l** ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:				
a Premiums: (1) Amount received	**9a(1)**			
(2) Increase (decrease) in amount due but unpaid	**9a(2)**			
(3) Increase (decrease) in unearned premium reserve	**9a(3)**			
(4) Earned (**(1)** + **(2)** - **(3)**)			**9a(4)**	
b Benefit charges (1) Claims paid	**9b(1)**			
(2) Increase (decrease) in claim reserves	**9b(2)**			
(3) Incurred claims (add **(1)** and **(2)**)			**9b(3)**	
(4) Claims charged			**9b(4)**	
c Remainder of premium: (1) Retention charges (on an accrual basis) --				
(A) Commissions	**9c(1)(A)**			
(B) Administrative service or other fees	**9c(1)(B)**			
(C) Other specific acquisition costs	**9c(1)(C)**			
(D) Other expenses	**9c(1)(D)**			
(E) Taxes	**9c(1)(E)**			
(F) Charges for risks or other contingencies	**9c(1)(F)**			
(G) Other retention charges	**9c(1)(G)**			
(H) Total retention			**9c(1)(H)**	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)			**9c(2)**	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement			**9d(1)**	
(2) Claim reserves			**9d(2)**	
(3) Other reserves			**9d(3)**	
e Dividends or retroactive rate refunds due. (Do not include amount entered in **c(2)**.)			**9e**	
10 Nonexperience-rated contracts:				
a Total premiums or subscription charges paid to carrier			**10a**	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.			**10b**	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2009** **This Form is Open to Public Inspection.**

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
APPLETON PAPERS RETIREMENT SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
APPLETON PAPERS INC.

D Employer Identification Number (EIN)
36-2556469

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 37 50 64	CONTRACT ADMINISTRATOR	6590	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [X]

(a) Enter name and EIN or address (see instructions)

STATE STREET GLOBAL ADVISORS

04-1867445

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
51 25 56		299166	Yes [ ] No [X]	Yes [ ] No [X]	0	Yes [ ] No [X]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN;
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN;
c Position:	
d Address:	**e** Telephone:

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
APPLETON PAPERS RETIREMENT SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
APPLETON PAPERS INC.

D Employer Identification Number (EIN)
36-2556469

Part I **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: WELLS FARGO FD MNGMT STBL VAL FD

b Name of sponsor of entity listed in (a): WELLS FARGO

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
52-2250946-001	C	482661

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
APPLETON PAPERS RETIREMENT SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
APPLETON PAPERS INC.

D Employer Identification Number (EIN)
36-2556469

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	2507662	2024625
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	0	66
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	2617402	2060089
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	1521023	1550092
(9) Value of interest in common/collective trusts	1c(9)	0	482661
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	61160638	78303263
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	27471894	27240577
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)	231347332	135854254
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	326625951	247515627
Liabilities			
g Benefit claims payable	1g	0	
h Operating payables	1h	0	
i Acquisition indebtedness	1i	0	
j Other liabilities	1j	8373555	6050946
k Total liabilities (add all amounts in lines 1g through1j)	1k	8373555	6050946
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	318252396	241464681

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	5377336	
(B) Participants	2a(1)(B)	10010203	
(C) Others (including rollovers)	2a(1)(C)	74783	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		15462322
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	1877	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	98132	
(F) Other	2b(1)(F)	901926	
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		1001935
(2) Dividends: **(A)** Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	1466301	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		1466301
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	22883617	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	24226553	
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		-1342936

			(a) Amount	(b) Total
2b	(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	
	(B) Other	2b(5)(B)	-79710211	
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		-79710211
	(6) Net investment gain (loss) from common/collective trusts	2b(6)		1504
	(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
	(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
	(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
	(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		14174218
c	Other income	2c		-4016
d	Total income. Add all **income** amounts in column (b) and enter total	2d		-48950883
	Expenses			
e	Benefit payment and payments to provide benefits:			
	(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	27826825	
	(2) To insurance carriers for the provision of benefits	2e(2)	0	
	(3) Other	2e(3)	3417	
	(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		27830242
f	Corrective distributions (see instructions)	2f		0
g	Certain deemed distributions of participant loans (see instructions)	2g		0
h	Interest expense	2h		0
i	Administrative expenses: (1) Professional fees	2i(1)	0	
	(2) Contract administrator fees	2i(2)	6590	
	(3) Investment advisory and management fees	2i(3)	0	
	(4) Other	2i(4)	0	
	(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		6590
j	Total expenses. Add all **expense** amounts in column (b) and enter total	2j		27836832
	Net Income and Reconciliation			
k	Net income (loss). Subtract line 2j from line 2d	2k		-76787715
l	Transfers of assets:			
	(1) To this plan	2l(1)		0
	(2) From this plan	2l(2)		0

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [ ] Unqualified **(2)** [ ] Qualified **(3)** [X] Disclaimer **(4)** [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: BAKER TILLY VIRCHOW KRAUSE LLP **(2)** EIN: 39-0859910

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a	X		50
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	0
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	0
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	0
e	Was this plan covered by a fidelity bond?	4e	X		10000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	0
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	0
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	0
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If yes, enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
APPLETON PAPERS RETIREMENT SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
APPLETON PAPERS INC.

D Employer Identification Number (EIN)
36-2556469

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 42-0127290

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3**

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☒ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☒ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☒ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☒ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

APPLETON PAPERS INC. RETIREMENT SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN

Appleton, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

December 31, 2009 and 2008

APPLETON PAPERS INC. RETIREMENT SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN

TABLE OF CONTENTS

Independent Auditors' Report 1

Financial Statements

Statements of Net Assets Available for Benefits 2

Statements of Changes in Net Assets Available for Benefits 3

Notes to Financial Statements 4 - 14

Supplemental Information

Schedule H, Line 4(i) - Schedule of Assets (Held at Year End) 15

Schedule H, Line 4(j) - Schedule of Reportable Transactions 16

BAKER TILLY

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bakertilly.com

INDEPENDENT AUDITORS' REPORT

To the Trustees
Appleton Papers Inc. Retirement Savings and Employee Stock Ownership Plan
Appleton, Wisconsin

We were engaged to audit the accompanying statements of net assets available for benefits of Appleton Papers Inc. Retirement Savings and Employee Stock Ownership Plan as of December 31, 2009 and 2008 and the statement of changes in net assets available for benefits for the years then ended, and the supplemental schedule as listed in the accompanying table of contents. These financial statements and supplemental schedule are the responsibility of the plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 3, which was certified by Principal Financial Group and State Street Corporation, the trustees of the plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the trustees hold the plan's investment assets and execute investment transactions. The plan administrator has obtained certifications from the trustees as of December 31, 2009 and 2008, and for the years then ended, that the information provided to the plan administrator by the trustees is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustees have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Baker Tilly Virchow Krause, LLP

Appleton, Wisconsin
July 21, 2010

APPLETON PAPERS INC. RETIREMENT SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2009 and 2008

	2009	2008
ASSETS		
Investments at fair value	$ 244,129,887	$ 322,744,694
Receivables:		
Employer contributions	2,024,625	2,507,662
Other receivables	66	-
Total Receivables	2,024,691	2,507,662
TOTAL ASSETS	246,154,578	325,252,356
LIABILITIES		
Accounts payable	6,050,946	8,373,555
NET ASSETS REFLECTING ALL INVESTMENTS AT FAIR VALUE	240,103,632	316,878,801
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	1,361,049	1,373,595
NET ASSETS AVAILABLE FOR BENEFITS	$ 241,464,681	$ 318,252,396

See accompanying notes to financial statements.

APPLETON PAPERS INC. RETIREMENT SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Years Ended December 31, 2009 and 2008

	2009	2008
ADDITIONS		
Additions to net assets attributed to:		
Investment income:		
Interest and dividends	$ 1,466,301	$ 2,800,939
Contributions:		
Participants'	10,010,203	12,713,171
Company	5,377,336	7,190,905
Rollovers	74,783	608,769
	15,462,322	20,512,845
Total Additions	16,928,623	23,313,784
DEDUCTIONS		
Deductions from net assets attributed to:		
Net depreciation in fair value	65,879,506	162,100,231
Benefits paid to participants	27,830,242	32,126,741
Administrative expenses	6,590	8,913
Total Deductions	93,716,338	194,235,885
Net Change	(76,787,715)	(170,922,101)
NET ASSETS AVAILABLE FOR BENEFITS - Beginning of Year	318,252,396	489,174,497
NET ASSETS AVAILABLE FOR BENEFITS - END OF YEAR	$ 241,464,681	$ 318,252,396

See accompanying notes to financial statements.

APPLETON PAPERS INC. RETIREMENT SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE 1 - Description of the Plan

The following description of the Appleton Papers Inc. Retirement Savings and Employee Stock Ownership Plan (the "plan") provides only general information. Participants should refer to the plan's summary plan description for a more complete description of the plan's provisions.

General

The plan is a defined contribution plan established by Appleton Papers Inc. (the "company") and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Eligibility of full-time salaried and nonsalaried employees and part-time employees to participate in the plan is defined in the plan document. Upon enrollment in the plan, a participant may direct employer and employee contributions to any combination of available investment options.

Fair Value of Financial Instruments

The plan's short-term financial instruments consist of the following: cash and cash equivalents, accounts receivable and accounts payable. The carrying values of these short-term financial instruments approximate their estimated fair values based on the instruments short-term nature.

The fair value of the plan's securities are based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument.

For the fiscal years ended December 31, 2009 and 2008, there have been no changes in the application of valuation methods applied to similar assets and liabilities.

Contributions

Each year, participants may contribute up to 50% of pretax annual compensation (salary reduction contributions), as defined in the plan and subject to Internal Revenue Code limitations. Participants may also contribute amounts representing distributions from other qualified plans (rollover contributions). The company matches participant contributions to the plan in varying amounts as defined in the plan. Additional company contributions may be contributed at the discretion of the company's Board of Directors. The company's matching contributions to the ESOP account or 401(k) account related to employee deferrals were made in Paperweight Development Corp. (PDC) common stock until October 27, 2006, when the plan was amended. The plan was amended to provide matching contributions in cash, to the participants 401(k) account. From April 24, 2009 to October 8, 2009 the company suspended the 401(k) fund match for all non-union employees. Contributions are subject to certain federal limitations.

All United States employees of the company and its subsidiaries may defer a portion of their salary into the ESOP portion of the plan. These deferrals will accumulate in a short-term interest fund until the next stock valuation date. At that time, the funds will be used to purchase shares based upon the price of company stock at the valuation date preceding or following the date on which the deferrals were made, whichever is lower. The shares of company stock purchased with a participant's deferrals and any company matching contribution allocated to a participant's ESOP account will remain invested in company stock until (1) a participant is eligible to diversify the company stock investment at age 55 and completion of ten years of service or (2) a participant is eligible for a distribution.

NOTE 1 - Description of the Plan (cont.)

Diversification

Legal diversification is available to participants who have reached age 55 with 10 years of participation in the plan. During the first five years after meeting that criteria, the participant may annually elect to diversify up to 25% of the total number of shares of company stock allocated to their ESOP accounts (including shares that the participant previously elected to diversify), and in the sixth and final year may diversify up to 50% (including shares that the participant previously elected to diversify).

Additional diversification is available to all participants on an annual basis to elect to diversify up to 10% of the total number of shares of company stock allocated to their ESOP accounts. The approval of additional diversification elections are subject to non-discriminatory rules established by the ESOP Committee and are available only to the extent permitted under the company's loan agreements.

Put Option

The company shall issue a put option to each participant who receives a distribution of company stock if, at the time of such distribution, company stock is not then readily tradable on an established market. The put option shall permit the participant to sell such company stock at its then fair market value, as determined by an independent appraiser, to the company after the date the company stock is distributed to the participant.

Voting Rights

The voting of company stock shall be subject to the provisions of ERISA. Any corporate matter that involves the voting of company stock with respect to the approval or disapproval of any corporate merger or consolidation, recapitalization, reclassification, liquidation, dissolution, sale of substantially all of the assets of a trade or business, or such other transactions that may be regulation, each participant may be entitled to direct the trustee as to the exercise of any shareholder voting rights attributable to shares of company stock then allocated to their ESOP account.

Participant Accounts

Each participant's account is credited with the participant's salary reduction contributions, rollover contributions and an allocation of the company's contributions and plan earnings thereon (net of administrative expenses). Allocations are based on the participant's eligible compensation or account balances, as defined in the plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

NOTE 1 - Description of the Plan (cont.)

Vesting

Participants are immediately vested in their salary reduction and rollover contributions plus earnings thereon. Participants who leave the plan because of death, early or normal retirement, or disability retirement, as defined in the plan, are considered 100% vested. Company contributions and earnings thereon vest in accordance with provisions of the plan as follows:

Vesting Years of Service	Percentage Vested
1	20%
2	40%
3	60%
4	80%
5 or more	100%

Forfeited Accounts

As of December 31, 2009 and 2008, forfeited nonvested accounts totaled $71,382 and $158,941, respectively. These accounts will be used to reduce future company contributions. Also, in 2009 and 2008, company contributions were reduced by $128,637 and $66,373, respectively from forfeited nonvested accounts.

Payment of Benefits

Benefits may be paid to the participant or beneficiary upon death, disability, retirement or termination of employment, as defined in the plan agreement. The plan provides for normal retirement at age 65 and early retirement on or after attaining age 55. The total vested portion of a participant's account balance is distributed in the form of a lump-sum payment, installments, or an annuity. Participants experiencing financial hardship may withdraw a portion of this account balance as defined in the plan. The hardship withdrawal must be withdrawn from the non-ESOP component of the plan first. Hardship withdrawals are made from participant's elective accounts only to the extent available.

Requests for distributions from the company stock fund will be granted in accordance with the plan's current distribution policy. Under such policy, accounts of less than $5,000 at termination, annual installment distributions to participants who have terminated employment due to retirement, death and/or disability, and who have requested distributions for periods ranging between 5 to 10 years, and minimum distributions required to be made following the later of the calendar year in which the participant attains age 70½, or the calendar year in which the participant's employment has terminated are made without regard to lender covenants. In addition, participants who have requested lump sum or annual installment distributions over periods of less than five years will receive such distributions in five annual installments over a period of not more than six years without regard to any limitations on amounts permitted to be distributed under lender covenants, provided the ESOP committee has the right to accelerate such installment payments in its sole discretion in a non-discriminatory manner. Distribution installments of contributions after November 9, 2001, may be delayed up to six years. Distributions from the company stock fund that have not yet been paid as of December 31, 2009 and 2008 are $22,416,247 and $34,913,200, respectively.

NOTE 1 - Description of the Plan (cont.)

Termination of Plan

Although it has not expressed any intent to do so, the company has the right under the plan to terminate the plan at any time subject to the provisions of ERISA. In the event of plan termination, participants will become 100% vested in their accounts.

Participant Loans

Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $25,000 or 50% of their vested account balance. These loans are secured by the balance in the participant's account. The loans bear interest at rates that range from 4.25% to 10.5%, which are commensurate with local prevailing rates as determined quarterly by the plan administrator. Loans with maturities of 1 to 5 years may be taken (up to 15 years for primary residence loans). Participants may not have more than one loan outstanding from each component of the plan at any time. Principal and interest is paid ratably through payroll deductions with no early payment penalty.

Accounts Payable

Accounts payable represents all distributions paid, by the company, for the period from July 1st through December 31st that need to be removed from trust assets in order to reimburse the company.

Administrative Expenses

Certain administrative costs are paid by the company.

Reclassification

For comparability, certain 2008 amounts have been reclassified to conform with classifications adopted in 2009.

NOTE 2 - Summary of Significant Accounting Policies

Basis of Accounting and Use of Estimates

The accompanying financial statements have been prepared on the accrual basis of accounting. The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan's management to use estimates and assumptions that affect the accompanying financial statements and disclosures. Actual results could differ from these estimates.

Investment Valuation and Income Recognition

The plan's investments are valued at fair value using quoted market prices where available, except for shares of PDC, which are valued by appraisal, and fully benefit responsive guaranteed investment contracts which are valued at contract value. Loans are presented at amortized cost which approximates fair value.

NOTE 2 - Summary of Significant Accounting Policies (cont.)

Investment Valuation and Income Recognition (cont.)

Net appreciation or depreciation of investments included in the accompanying statement of changes in net assets available for benefits includes realized gains or losses from the sale of investments and unrealized appreciation or depreciation in fair value of investments. Net unrealized appreciation or depreciation in the fair value of investments represents the net change in the fair value of the investments held during the period. The net realized gains or losses on the sale of investments represents the difference between the sale proceeds and the fair value of the investment as of the beginning of the period or the cost of the investment if purchased during the year.

The ESOP investments are held in trust by State Street Global Advisors and consist primarily of common shares of PDC. PDC holds 100% of the outstanding common stock of the company. The shares of PDC are valued at fair value on December 31, 2009 and 2008. Fair value is determined semi-annually (June 30 and December 31) by an independent appraiser. The initial 10.7 million shares of PDC common stock were acquired by the plan in early November 2001 at a price of $10.00 per share. At December 31, 2009 and 2008, the value of the PDC common stock, as determined by an independent appraiser, was $13.26 and $21.43 per share, respectively.

Purchases and sales of securities are recorded on a trade-date basis for non-ESOP components. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Purchases and sales of PDC common stock are conducted on a semi-annual basis and are based on the value determined by an independent appraiser as defined by the plan.

Payment of Benefits

Benefits are recorded when paid.

NOTE 3 - Information Prepared and Certified by Trustees - Unaudited

The following information included in the accompanying financial statements and supplemental schedule was obtained from data that has been prepared and certified to as complete and accurate by Principal Financial Group and State Street Corporation, the trustees of the plan.

	2009		2008	
Investments:				
Cash and cash equivalents	$ 2,060,089		$ 2,617,402	
Mutual funds:				
Principal Fixed Income Option	-		27,471,894	*
Wells Fargo Stable Value	27,723,238	*	-	
Vanguard Institutional Index	17,048,285	*	14,270,721	
Other	61,254,977		46,889,917	
Common stock:				
Paperweight Development Corp.	135,854,254	*	231,347,332	*
Participant loans	1,550,092		1,521,023	
Total Investments	$ 245,490,935		$ 324,118,289	

Investments that represent 5% or more of the plan's net assets are separately identified with an "*". The total investments above report fully-responsive investment contracts at contract value.

During the years ended December 31, 2009 and 2008, the plan's investments (including gains and losses on investments bought, sold, and held during the year) appreciated (depreciated) in value as follows:

	2009	2008
PDC stock	$ (81,051,148)	$ (127,307,260)
Mutual Funds	15,171,642	(34,792,971)
Net depreciation in fair value	(65,879,506)	(162,100,231)
Interest and Dividends	1,466,301	2,800,939
Total Investment Return Certified by Trustees	$ (64,413,205)	$ (159,299,292)

The plan invests in securities with contractual cash flows, such as asset backed securities, collateralized mortgage obligations and commercial mortgage backed securities, including securities backed by subprime mortgage loans. The value, liquidity and related income of these securities are sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

NOTE 3 - Information Prepared and Certified by Trustees - Unaudited (cont.)

The plan provides for various investment options in any combination of common stock, mutual funds and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the statement of changes in net assets available for benefits.

NOTE 4 - Fair Value of Financial Instruments

Effective January 1, 2008, the plan adopted recently enacted accounting standards which provide a framework for measuring, reporting, and disclosing fair value under generally accepted accounting principles. These regulations apply to all assets and liabilities that are measured, reported, and/or disclosed on a fair value basis. There was no effect on net assets available for benefits on January 1, 2008 upon adopting these new rules.

As defined in the accounting standards, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the plan uses various valuation methods including the market, income and cost approaches. The assumptions used in the application of these valuation methods are developed from the perspective of market participants pricing the asset or liability. Inputs used in the valuation methods can be either readily observable, market corroborated, or generally unobservable inputs. Whenever possible the plan attempts to utilize valuation methods that maximize the use of observable inputs and minimizes the use of unobservable inputs. Based on the observability of the inputs used in the valuation methods the plan is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Assets and liabilities measured, reported and/or disclosed at fair value will be classified and disclosed in one of the following three categories:

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3 - Unobservable inputs that are not corroborated by market data.

The plan sponsor is responsible for the determination of fair value. Accordingly, they perform periodic analysis on the prices received from the pricing services used to determine whether the prices are reasonable estimates of fair value. As a result of these reviews, the plan sponsor has not historically adjusted the prices obtained from the pricing services.

NOTE 4 - Fair Value of Financial Instruments (cont.)

The table below presents the balances of assets and liabilities measured at fair value on a recurring basis by level within the hierarchy.

	December 31, 2009			
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 2,060,089	$ 2,060,089	$ -	$ -
Mutual funds	78,303,262	78,303,262	-	-
PDC Stock	135,854,254	-	-	135,854,254
Guaranteed investment contract	26,362,190	-	483,642	25,878,548
Participant loans	1,550,092	-	-	1,550,092
Receivables	2,024,691	2,024,691	-	-
Accounts payable	(6,050,946)	(6,050,946)	-	-
Net Assets and Liabilities	$ 240,103,632	$ 76,337,096	$ 483,642	$ 163,282,894

	December 31, 2008			
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 2,617,402	$ 2,617,402	$ -	$ -
Mutual funds	61,160,638	61,160,638	-	-
PDC Stock	231,347,332	-	-	231,347,332
Guaranteed investment contract	26,098,299	-	-	26,098,299
Participant loans	1,521,023	-	-	1,521,023
Receivables	2,507,662	2,507,662	-	-
Accounts payable	(8,373,555)	(8,373,555)	-	-
Net Assets and Liabilities	$ 316,878,801	$ 57,912,147	$ -	$ 258,966,654

NOTE 4 - Fair Value of Financial Instruments (cont.)

The changes in Level 3 assets and liabilities measured at fair value on a recurring basis are summarized as follows:

	PDC Stock	Guaranteed Investment Contract	Participant Loans
Balances, January 01, 2008	$ 375,522,369	$ 23,314,203	$ 1,375,559
Net gains realized and unrealized (losses) included in:			
Net income	(127,307,260)	(146,531)	-
Interest credited	-	860,719	106,282
Purchases, sales, issuances and settlements, net	(16,867,777)	2,069,908	39,182
Balances, December 31, 2008	231,347,332	26,098,299	1,521,023
Net gains realized and unrealized (losses) included in:			
Net income	(81,051,148)	(1,362,030)	-
Interest credited	23,730	215,087	98,132
Transfer to Level 2	-	(483,642)	-
Purchases, sales, issuances and settlements, net	(14,465,660)	1,410,834	(69,063)
Balances, December 31, 2009	$ 135,854,254	$ 25,878,548	$ 1,550,092
Net unrealized gains (losses) included in net income relating to assets and liabilities still held at December 31, 2008	$ (127,307,260)	$ (146,531)	$ -
Net unrealized gains (losses) included in net income relating to assets and liabilities still held at December 31, 2009	$ (81,051,148)	$ (1,362,030)	$ -

NOTE 5 - Guaranteed Investment Contracts - Unaudited

At December 31, 2009, the plan holds investments in the Wells Fargo Stable Value Fund. Effective September 20, 2009, this investment option became available. At that time, investment direction and balances that were directed to the Principal Fixed Income Option were redirected to the Wells Fargo Stable Value Fund. The Wells Fargo Stable Value Fund will temporarily consist of a combination of the Principal Fixed Income Option and the Wells Fargo Stable Value Fund. Investment returns for the new Wells Fargo Stable Value Fund will reflect the combined returns of the two blended investment options. Once this transition is completed by approximately September 2010, the Wells Fargo Stable Value Fund will be the only remaining investment. At December 31, 2008, the plan held investments in the Principal Fixed Income Option, a benefit-responsive group annuity contract issued by the Principal Life Insurance Company. The methodology for calculating the interest crediting rate is defined in Article I, Section II of the contract under the term "Composite Crediting Rate." Under the terms of the existing contract, the crediting rate is currently reset on a semiannual basis. For the year ended December 31, 2009 and 2008, the plan has adopted the provisions of FASB Staff Position numbers AAG INV-1 and SOP 94-4-1 (FSP) for these type of guaranteed investment contracts ("GICs"). The FSP affirms contract value accounting for GICs.

Contract value, as reported to the plan by the issuer, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. As provided in the FSP, an investment contract is generally valued at contract value, rather than fair value, to the extent it is fully benefit-responsive.

Certain events limit the ability of the plan to transact at contract value with the issuer. Such events include the following: (1) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (2) changes to plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the plan, or (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under Employee Retirement Income Security Act of 1974. The plan administrator does not believe that the occurrence of any such event, which would limit the plan's ability to transact at contract value with participants, is probable.

At December 31, 2009, the Wells Fargo Stable Value Fund and the Principal Fixed Income Option had a contract value of $27,240,577 and $482,661 respectively. At December 31, 2009, the Wells Fargo Stable Value Fund and the Principal Fixed Income Option had a fair value of $25,878,548 and $483,642, respectively.

The GICs do not permit the insurance companies to terminate the agreement prior to the scheduled maturity date.

The fund is a single group annuity contract with a fixed rate of interest. It is not a portfolio of contracts whose yields are based on changes in fair value of underlying assets as would be found in a Stable Value fund. As a result, the average yield earned by the plan is the yield earned (i.e. interest credited) on the group annuity contract. The average yield and crediting rate of the GICs based on actual earnings in the Wells Fargo Stable Value Fund was approximately 3.32% at December 31, 2009. The average yield and crediting rate of the GICs based on actual earnings in the Principal Fixed Income Option was approximately 3.15% and 3.5% at December 31, 2009 and 2008, respectively.

NOTE 6 - Parties In Interest Transactions

Participants elect to invest the assets of the non-ESOP component of the plan in funds managed and sold by Principal Financial Group. The plan conducted the following transactions with the trustees:

	2009	2008
Total purchases	$ 14,914,867	$ 38,477,649
Total sales	54,577,323	34,104,347

Administrative expenses were paid by the plan sponsor for services provided by the trustee for the years ended December 31, 2009 and 2008.

NOTE 7 - Tax Status

The plan obtained its latest determination letter on June 27, 2002, in which the Internal Revenue Service stated that the plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code ("IRC"). The plan has been amended since receiving the determination letter. The plan administrator believes that the plan, as amended, is designed and being operated in compliance with the applicable requirements of the IRC. Therefore, the plan administrator believes that the plan was qualified and the related trust was tax-exempt at the financial statement date.

NOTE 8 - Modification to an Affiliated Plan

As a result of an amendment dated December 5, 2007, the Appleton Papers Inc. Retirement Plan, a pension plan sponsored by the company, will be frozen for non-bargaining unit (salaried) employees effective January 1, 2015. Any affected employees who were employed by the company as of December 31, 2007 will continue to accrue benefits under the Appleton Papers Inc. Retirement Plan up until the date it becomes frozen, at which point employee benefits under the Appleton Papers Inc. Retirement Plan will be replaced with employer contributions to the Appleton Papers Inc. Retirement Savings and Employee Stock Ownership Plan based on employee age and years of service. Any salaried employees hired on or after January 1, 2008 will automatically receive employer contributions to the Appleton Papers Inc. Retirement Savings and Employee Stock Ownership Plan and will not have the option to participate in the Appleton Papers Inc. Retirement Plan. Individuals employed by the company as of December 31, 2007 had until April 1, 2008 to elect whether to begin receiving employer contributions under the Appleton Papers Inc. Retirement Savings and Employee Stock Ownership Plan or remain in Appleton Papers Inc. Retirement Plan until the date it becomes frozen.

NOTE 9 - Subsequent Events

The plan has evaluated subsequent events through July 21, 2010, which is the date that the financial statements were approved and available to be issued, for events requiring recording or disclosure in the plan's financial statements

As of the date of these financial statements the company is in the process of selling their performance packaging business. Approximately 150 participants, with plan assets totaling $3 million will no longer be participants under the plan when the sale is completed.

SUPPLEMENTAL INFORMATION

APPLETON PAPERS INC. RETIREMENT SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN

SCHEDULE H, LINE 4(I) - SCHEDULE OF ASSETS (HELD AT YEAR END)
Unaudited
Plan 001
EIN 36-2556469
December 31, 2009

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Market Value
*	Paperweight Development Corp.	Common Stock	**	$ 2,060,089
	Wells Fargo Bank, N.A.	Fixed Income	**	26,362,190
	PIMCO Funds	Total Return Adm Fund	**	8,758,107
*	Principal Financial Services	LifeTime Strategic Income Preferred Fund	**	393,029
*	Principal Financial Services	Inv Lifetime 2010	**	3,303,514
*	Principal Financial Services	Inv Lifetime 2020	**	6,566,879
*	Principal Financial Services	Inv Lifetime 2030	**	4,903,530
*	Principal Financial Services	Inv Lifetime 2040	**	1,683,771
*	Principal Financial Services	Inv Lifetime 2050	**	601,839
	Dodge & Cox	Stock Fund	**	8,863,958
	Vanguard Fiduciary Trust	Inst'l Index	**	17,048,285
*	Principal Financial Services	Investment S&P 400 Index	**	2,859,540
*	Principal Financial Services	Inv PT Largecap Growth II	**	9,094,859
	Frontegra	IronBridge SMID I Fund	**	4,178,995
*	Principal Financial Services	Inv S&P 600	**	1,270,950
	American Funds	Euro Pacific Growth	**	8,776,006
*	Paperweight Development Corp.	10,245,419 Shares Common Stock	**	135,854,254
*	Participant loans - ESOP	4.25% - 10.5%	-0-	559,102
*	Participant loans - non-ESOP	4.25% - 10.5%	-0-	990,990
				$ 244,129,887

* Represents a party in interest
** Cost omitted for participant directed investments

APPLETON PAPERS INC. RETIREMENT SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN

SCHEDULE H, LINE 4(J) - SCHEDULE OF REPORTABLE TRANSACTIONS
Unaudited
Plan 001
EIN 36-2556469

Sales

(a) Identity of Party Involved	(b) Description of Asset	(d) Selling Price	(e) Cost of Asset	(f) Net Gain or (Loss)
Principal Financial Services	Fixed Income	$ 34,408,667	$ 32,040,485	$ 2,368,182
Paperweight Development Corp.	Common Stock	22,883,675	23,479,611	(595,936)

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SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

APPLETON PAPERS RETIREMENT SAVINGS AND
EMPLOYEE STOCK OWNERSHIP PLAN
EIN 36 2556469
PLAN NUMBER 001
PLAN YEAR 01/01/2009 TO 12/31/2009

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
	The American Funds	Registered Investment Company Am Fds EuroPacific Grth R4 Fd	$ 9,014,608.00	$ 8,776,006.24
	State Street Bank and Trust Company	Interest Bearing Cash COMPANY STOCK CASH ACCOUNT	$ 0.00	$ 2,060,088.60
	Dodge and Cox Funds	Registered Investment Company DODGE & COX STOCK FUND	$ 8,277,637.00	$ 8,863,957.79
*	Frontegra	Registered Investment Company FRONTEGRA IRONBRIDGE SMID I FD	$ 3,901,109.00	$ 4,178,994.97
*	Princor Financial Services	Registered Investment Company Prin LgCap Growth II R5 Fund	$ 9,636,447.00	$ 9,094,858.99
*	Princor Financial Services	Registered Investment Company Prin LifeTime Str Inc Inst Fd	$ 353,542.00	$ 393,029.26
*	Princor Financial Services	Registered Investment Company Prin LifeTime 2010 Inst Fund	$ 2,747,263.00	$ 3,303,514.38
*	Princor Financial Services	Registered Investment Company Prin LifeTime 2020 Inst Fund	$ 5,270,249.00	$ 6,566,878.54
*	Princor Financial Services	Registered Investment Company Prin LifeTime 2030 Inst Fund	$ 3,854,382.00	$ 4,903,530.02
*	Princor Financial Services	Registered Investment Company Prin LifeTime 2040 Inst Fund	$ 1,331,931.00	$ 1,683,771.10
*	Princor Financial Services	Registered Investment Company Prin LifeTime 2050 Inst Fund	$ 477,796.00	$ 601,838.68
*	Princor Financial Services	Registered Investment Company Prin MidCp S&P 400 Idx Inst Fd	$ 2,065,186.00	$ 2,859,540.14
*	Princor Financial Services	Registered Investment Company Prin SmCap S&P 600 Idx Inst Fd	$ 972,418.00	$ 1,270,950.49
*	Appleton Paper Company	Employer Security PDC Stock Fund	$207,994,501.00	$135,854,253.97
	PIMCO Funds	Registered Investment Company PIMCO Total Return Instl Fund	$ 8,435,278.00	$ 8,758,107.49

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

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SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

APPLETON PAPERS RETIREMENT SAVINGS AND
EMPLOYEE STOCK OWNERSHIP PLAN
EIN 36 2556469
PLAN NUMBER 001
PLAN YEAR 01/01/2009 TO 12/31/2009

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
	Vanguard Group	Registered Investment Company Vanguard Inst'l Index Fund	$ 18,029,058.00	$ 17,048,284.76
	Wells Fargo	Common/Collective Trust Wells Fargo Fd Mngmt Stbl Val Fd	$ 0.00	$ 482,661.00
	Participant Loans	Range of Interest Rates Rates Range From 4.25% To 10.50%	$ 0.00	$ 1,550,092.00

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

SCHEDULE H,Line 4j - SCHEDULE OF REPORTABLE TRANSACTIONS

APPLETON PAPERS RETIREMENT SAVINGS AND
EMPLOYEE STOCK OWNERSHIP PALN
EIN 36 2556469
PLAN NUMBER 001
PLAN YEAR 01/01/2009 TO 12/31/2009

DESCRIPTION OF ASSET	(A) Total Number of Purchases	(B) Total Number of Sales	(C) Total Value of Purchases	(D) Total Value of Sales	(E) Net Gain/(Loss)
Insurance General Fixed Inc. Option 401(A)/(K)	142		$6,249,934.26		
Insurance General Fixed Inc. Option 401(A)/(K)		320		$34,408,666.84	$2,368,182.23
Employer Security PDC Stock	33		$10,209,481.96		
Employer Security PDC Stock		96		$22,883,675.23	($595,936.16)

* Schedule is prepared using the alternative way of reporting (iii) series transactions under DOL Regulation 2520.103-6(d)(2).

SCHEDULE H,Line 4j - SCHEDULE OF REPORTABLE TRANSACTIONS