

|                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                               |
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| <div>Form 5500</div> <div>Department of the Treasury<br/>Internal Revenue Service</div> <div>Department of Labor<br/>Employee Benefits Security<br/>Administration</div> <div>Pension Benefit Guaranty Corporation</div> | <div>Annual Return/Report of Employee Benefit Plan</div> <div>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).</div> <div>Complete all entries in accordance with the instructions to the Form 5500.</div> | <div>OMB Nos. 1210-0110<br/>1210-0089</div> <div>2009</div> <div>This Form is Open to Public Inspection</div> |
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|                                                                                            |                                                                                                                                                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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: <div><div><input type="checkbox"/> a multiemployer plan;</div><div><input checked="" type="checkbox"/> a single-employer plan;</div><div><input type="checkbox"/> a multiple-employer plan; or</div><div><input type="checkbox"/> a DFE (specify) _____</div></div>                    |
| B                                                                                          | This return/report is: <div><div><input type="checkbox"/> the first return/report;</div><div><input type="checkbox"/> the final return/report;</div><div><input type="checkbox"/> an amended return/report;</div><div><input type="checkbox"/> a short plan year return/report (less than 12 months).</div></div> |
| C                                                                                          | If the plan is a collectively-bargained plan, check here. .... <input type="checkbox"/>                                                                                                                                                                                                                           |
| D                                                                                          | Check box if filing under: <div><div><input checked="" type="checkbox"/> Form 5558;</div><div><input type="checkbox"/> automatic extension;</div><div><input type="checkbox"/> the DFVC program;</div><div><input type="checkbox"/> special extension (enter description)</div></div>                             |

|         |                                                                                                                                                                                                         |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Part II | Basic Plan Information—enter all requested information                                                                                                                                                  |
| 1a      | Name of plan<br>VERSO PAPER PENSION PLAN FOR HOURLY EMPLOYEES                                                                                                                                           |
| 1b      | Three-digit plan number (PN) ▶ 003                                                                                                                                                                      |
| 1c      | Effective date of plan<br>08/01/2006                                                                                                                                                                    |
| 2a      | Plan sponsor's name and address (employer, if for a single-employer plan)<br>(Address should include room or suite no.)<br>VERSO PAPER HOLDINGS LLC<br><br>6775 LENOX CENTER COURT<br>MEMPHIS, TN 38115 |
| 2b      | Employer Identification Number (EIN)<br>56-2597634                                                                                                                                                      |
| 2c      | Sponsor's telephone number<br>901-369-4124                                                                                                                                                              |
| 2d      | Business code (see instructions)<br>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. | 10/12/2010 | RICARDO MONCADA                                              |
|           | Signature of plan administrator                   | Date       | Enter name of individual signing as plan administrator       |
| SIGN HERE |                                                   |            |                                                              |
|           | 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                      |

|                                                                                                                                                                         |                                                                                                               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| <b>3a</b> Plan administrator's name and address (if same as plan sponsor, enter "Same")<br>VERSO PAPER HOLDINGS LLC<br><br>6775 LENOX CENTER COURT<br>MEMPHIS, TN 38115 | <b>3b</b> Administrator's EIN<br>56-2597634<br><br><b>3c</b> Administrator's telephone number<br>901-369-4124 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                                                       |                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| <b>4</b> 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:<br><br><b>a</b> Sponsor's name | <b>4b</b> EIN<br><br><b>4c</b> PN |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|

|                                                                         |          |      |
|-------------------------------------------------------------------------|----------|------|
| <b>5</b> Total number of participants at the beginning of the plan year | <b>5</b> | 1944 |
|-------------------------------------------------------------------------|----------|------|

|                                                                                                                                                        |           |      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|------|
| <b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines <b>6a</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ). |           |      |
| <b>a</b> Active participants.....                                                                                                                      | <b>6a</b> | 1725 |
| <b>b</b> Retired or separated participants receiving benefits.....                                                                                     | <b>6b</b> | 163  |
| <b>c</b> Other retired or separated participants entitled to future benefits.....                                                                      | <b>6c</b> | 68   |
| <b>d</b> Subtotal. Add lines <b>6a</b> , <b>6b</b> , and <b>6c</b> .....                                                                               | <b>6d</b> | 1956 |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....                                              | <b>6e</b> | 9    |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....                                                                                                | <b>6f</b> | 1965 |
| <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....         | <b>6g</b> |      |
| <b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....             | <b>6h</b> | 9    |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....                   | <b>7</b>  |      |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:  
 1B 1G

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

|                                                                                |                                                                                |
|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| <b>9a</b> Plan funding arrangement (check all that apply)                      | <b>9b</b> Plan benefit arrangement (check all that apply)                      |
| <b>(1)</b> <input checked="" type="checkbox"/> Insurance                       | <b>(1)</b> <input checked="" type="checkbox"/> Insurance                       |
| <b>(2)</b> <input type="checkbox"/> Code section 412(e)(3) insurance contracts | <b>(2)</b> <input type="checkbox"/> Code section 412(e)(3) insurance contracts |
| <b>(3)</b> <input checked="" type="checkbox"/> Trust                           | <b>(3)</b> <input checked="" type="checkbox"/> Trust                           |
| <b>(4)</b> <input type="checkbox"/> General assets of the sponsor              | <b>(4)</b> <input type="checkbox"/> 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)** ☒ **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)** ☒ **H** (Financial Information)  
**(2)** ☐ **I** (Financial Information – Small Plan)  
**(3)** ☒ 1 **A** (Insurance Information)  
**(4)** ☒ **C** (Service Provider Information)  
**(5)** ☒ **D** (DFE/Participating Plan Information)  
**(6)** ☐ **G** (Financial Transaction Schedules)

|                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                    |                                                                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| <div><div><div>SCHEDULE A</div><div>(Form 5500)</div><div>Department of the Treasury<br/>Internal Revenue Service</div></div><div><div>Department of Labor<br/>Employee Benefits Security Administration</div><div>Pension Benefit Guaranty Corporation</div></div></div> | <div>Insurance Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div> <div>▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).</div> | <div>OMB No. 1210-0110</div> <div>2009</div> <div>This Form is Open to Public Inspection</div> |
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|                                                                                                        |                                                                         |                |
|--------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|----------------|
| For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009             |                                                                         |                |
| <div>A Name of plan</div> <div>VERSO PAPER PENSION PLAN FOR HOURLY EMPLOYEES</div>                     | <div>B Three-digit plan number (PN)</div> <div>▶</div>                  | <div>003</div> |
|                                                                                                        |                                                                         |                |
| <div>C Plan sponsor's name as shown on line 2a of Form 5500.</div> <div>VERSO PAPER HOLDINGS LLC</div> | <div>D Employer Identification Number (EIN)</div> <div>56-2597634</div> |                |

|        |                                                                                                                                                                                                                                                                    |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Part I | <div>Information Concerning Insurance Contract Coverage, Fees, and Commissions</div> <div>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.</div> |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                         |
|-------------------------|
| 1 Coverage Information: |
|-------------------------|

|                                                                                       |
|---------------------------------------------------------------------------------------|
| <div>(a) Name of insurance carrier</div> <div>NATIONWIDE LIFE INSURANCE COMPANY</div> |
|---------------------------------------------------------------------------------------|

| (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     |
| 23-0990450 | 37877         | 006271-201-001                        | 1965                                                                        | 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>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

---

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

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

---

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

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

---

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

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

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

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> 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.

|                                                                                                        |          |          |
|--------------------------------------------------------------------------------------------------------|----------|----------|
| <b>4</b> Current value of plan's interest under this contract in the general account at year end ..... | <b>4</b> |          |
| <b>5</b> Current value of plan's interest under this contract in separate accounts at year end .....   | <b>5</b> | 21485738 |

**6** Contracts With Allocated Funds:**a** State the basis of premium rates ▶

|                                                                                                                                                                                                                |           |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--|
| <b>b</b> Premiums paid to carrier .....                                                                                                                                                                        | <b>6b</b> |  |
| <b>c</b> Premiums due but unpaid at the end of the year .....                                                                                                                                                  | <b>6c</b> |  |
| <b>d</b> 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. ....<br>Specify nature of costs ▶ | <b>6d</b> |  |

**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 ▶

|                                                                                             |              |  |
|---------------------------------------------------------------------------------------------|--------------|--|
| <b>b</b> Balance at the end of the previous year .....                                      | <b>7b</b>    |  |
| <b>c</b> Additions: (1) Contributions deposited during the year .....                       | <b>7c(1)</b> |  |
| (2) Dividends and credits .....                                                             | <b>7c(2)</b> |  |
| (3) Interest credited during the year .....                                                 | <b>7c(3)</b> |  |
| (4) Transferred from separate account .....                                                 | <b>7c(4)</b> |  |
| (5) Other (specify below) .....                                                             | <b>7c(5)</b> |  |
| ▶                                                                                           |              |  |
| (6) Total additions .....                                                                   | <b>7c(6)</b> |  |
| <b>d</b> Total of balance and additions (add <b>b</b> and <b>c(6)</b> ). ....               | <b>7d</b>    |  |
| <b>e</b> Deductions:                                                                        |              |  |
| (1) Disbursed from fund to pay benefits or purchase annuities during year .....             | <b>7e(1)</b> |  |
| (2) Administration charge made by carrier .....                                             | <b>7e(2)</b> |  |
| (3) Transferred to separate account .....                                                   | <b>7e(3)</b> |  |
| (4) Other (specify below) .....                                                             | <b>7e(4)</b> |  |
| ▶                                                                                           |              |  |
| (5) Total deductions .....                                                                  | <b>7e(5)</b> |  |
| <b>f</b> Balance at the end of the current year (subtract <b>e(5)</b> from <b>d</b> ) ..... | <b>7f</b>    |  |

**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:

|                                                                                                                                                   |                 |                 |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|--|
| <b>a</b> Premiums: (1) Amount received.....                                                                                                       | <b>9a(1)</b>    |                 |  |
| (2) Increase (decrease) in amount due but unpaid.....                                                                                             | <b>9a(2)</b>    |                 |  |
| (3) Increase (decrease) in unearned premium reserve.....                                                                                          | <b>9a(3)</b>    |                 |  |
| (4) Earned ((1) + (2) - (3)).....                                                                                                                 |                 | <b>9a(4)</b>    |  |
| <b>b</b> Benefit charges (1) Claims paid.....                                                                                                     | <b>9b(1)</b>    |                 |  |
| (2) Increase (decrease) in claim reserves.....                                                                                                    | <b>9b(2)</b>    |                 |  |
| (3) Incurred claims (add (1) and (2)).....                                                                                                        |                 | <b>9b(3)</b>    |  |
| (4) Claims charged.....                                                                                                                           |                 | <b>9b(4)</b>    |  |
| <b>c</b> Remainder of premium: (1) Retention charges (on an accrual basis) --                                                                     |                 |                 |  |
| (A) Commissions.....                                                                                                                              | <b>9c(1)(A)</b> |                 |  |
| (B) Administrative service or other fees.....                                                                                                     | <b>9c(1)(B)</b> |                 |  |
| (C) Other specific acquisition costs.....                                                                                                         | <b>9c(1)(C)</b> |                 |  |
| (D) Other expenses.....                                                                                                                           | <b>9c(1)(D)</b> |                 |  |
| (E) Taxes.....                                                                                                                                    | <b>9c(1)(E)</b> |                 |  |
| (F) Charges for risks or other contingencies.....                                                                                                 | <b>9c(1)(F)</b> |                 |  |
| (G) Other retention charges.....                                                                                                                  | <b>9c(1)(G)</b> |                 |  |
| (H) Total retention.....                                                                                                                          |                 | <b>9c(1)(H)</b> |  |
| (2) Dividends or retroactive rate refunds. (These amounts were <input type="checkbox"/> paid in cash, or <input type="checkbox"/> credited.)..... |                 | <b>9c(2)</b>    |  |
| <b>d</b> Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....                                |                 | <b>9d(1)</b>    |  |
| (2) Claim reserves.....                                                                                                                           |                 | <b>9d(2)</b>    |  |
| (3) Other reserves.....                                                                                                                           |                 | <b>9d(3)</b>    |  |
| <b>e</b> Dividends or retroactive rate refunds due. (Do not include amount entered in c(2).).....                                                 |                 | <b>9e</b>       |  |

**10** Nonexperience-rated contracts:

|                                                                                                                                                                                                                                 |            |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> Total premiums or subscription charges paid to carrier.....                                                                                                                                                            | <b>10a</b> |  |
| <b>b</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. .... | <b>10b</b> |  |
| 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. ▶

|                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                    |                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE SB</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Single-Employer Defined Benefit Plan</b><br><b>Actuarial Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).<br><br>▶ <b>File as an attachment to Form 5500 or 5500-SF.</b> | OMB No. 1210-0110<br><br><b>2009</b><br><br><b>This Form is Open to Public Inspection</b> |
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

|                                                                                                                                           |                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>VERSO PAPER PENSION PLAN FOR HOURLY EMPLOYEES</u>                                                             | <b>B</b> Three-digit plan number (PN) ▶ <u>003</u>                                                                                                      |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF<br><u>VERSO PAPER HOLDINGS LLC</u>                               | <b>D</b> Employer Identification Number (EIN)<br><u>56-2597634</u>                                                                                      |
| <b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B | <b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500 |

|                                                                                                                                                                                                       |                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|
| <b>Part I</b>                                                                                                                                                                                         | <b>Basic Information</b>                                    |
| <b>1</b> Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2009</u>                                                                                                                     |                                                             |
| <b>2</b> Assets:                                                                                                                                                                                      |                                                             |
| <b>a</b> Market value .....                                                                                                                                                                           | <b>2a</b> <u>14076503</u>                                   |
| <b>b</b> Actuarial value .....                                                                                                                                                                        | <b>2b</b> <u>14076503</u>                                   |
| <b>3</b> Funding target/participant count breakdown                                                                                                                                                   |                                                             |
|                                                                                                                                                                                                       | <b>(1) Number of participants</b> <b>(2) Funding Target</b> |
| <b>a</b> For retired participants and beneficiaries receiving payment .....                                                                                                                           | <b>3a</b> <u>71</u> <u>1447494</u>                          |
| <b>b</b> For terminated vested participants .....                                                                                                                                                     | <b>3b</b> <u>44</u> <u>901184</u>                           |
| <b>c</b> For active participants:                                                                                                                                                                     |                                                             |
| <b>(1)</b> Non-vested benefits .....                                                                                                                                                                  | <b>3c(1)</b> <u>386815</u>                                  |
| <b>(2)</b> Vested benefits .....                                                                                                                                                                      | <b>3c(2)</b> <u>18177787</u>                                |
| <b>(3)</b> Total active .....                                                                                                                                                                         | <b>3c(3)</b> <u>1829</u> <u>18564602</u>                    |
| <b>d</b> Total .....                                                                                                                                                                                  | <b>3d</b> <u>1944</u> <u>20913280</u>                       |
| <b>4</b> If the plan is at-risk, check the box and complete items (a) and (b) ..... <input checked="" type="checkbox"/>                                                                               |                                                             |
| <b>a</b> Funding target disregarding prescribed at-risk assumptions .....                                                                                                                             | <b>4a</b> <u>19500355</u>                                   |
| <b>b</b> Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor ..... | <b>4b</b> <u>23032670</u>                                   |
| <b>5</b> Effective interest rate .....                                                                                                                                                                | <b>5</b> <u>8.12</u> %                                      |
| <b>6</b> Target normal cost .....                                                                                                                                                                     | <b>6</b> <u>4559311</u>                                     |

**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

|                                                                  |                                        |
|------------------------------------------------------------------|----------------------------------------|
| <b>SIGN HERE</b>                                                 | <u>09/27/2010</u>                      |
| Signature of actuary                                             | Date                                   |
| <u>MICHAEL J. HOLM</u>                                           | <u>08-03912</u>                        |
| Type or print name of actuary                                    | Most recent enrollment number          |
| <u>RSM MCGLADREY RETIREMENT RESOURCES</u>                        | <u>312-462-6706</u>                    |
| Firm name                                                        | Telephone number (including area code) |
| <u>191 N. WACKER SUITE 1400</u><br><u>CHICAGO, IL 60606-1921</u> |                                        |
| Address of the firm                                              |                                        |

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

**For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.**

**Schedule SB (Form 5500) 2009**  
**v.092308.1**

| Part II Beginning of year carryover and prefunding balances                                       |                       |                        |
|---------------------------------------------------------------------------------------------------|-----------------------|------------------------|
|                                                                                                   | (a) Carryover balance | (b) Prefunding balance |
| 7 Balance at beginning of prior year after applicable adjustments (Item 13 from prior year) ..... | 0                     | 0                      |
| 8 Portion used to offset prior year's funding requirement (Item 35 from prior year) .....         | 0                     | 0                      |
| 9 Amount remaining (Item 7 minus item 8).....                                                     | 0                     | 0                      |
| 10 Interest on item 9 using prior year's actual return of <u>-19.21</u> % .....                   |                       |                        |
| 11 Prior year's excess contributions to be added to prefunding balance:                           |                       |                        |
| a Excess contributions (Item 38 from prior year) .....                                            |                       | 0                      |
| b Interest on (a) using prior year's effective rate of _____ % .....                              |                       | 0                      |
| c Total available at beginning of current plan year to add to prefunding balance .....            |                       | 0                      |
| d Portion of (c) to be added to prefunding balance.....                                           |                       |                        |
| 12 Reduction in balances due to elections or deemed elections.....                                | 0                     | 0                      |
| 13 Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....              | 0                     | 0                      |

| Part III Funding percentages                                                                                                                                       |    |         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|---------|
| 14 Funding target attainment percentage.....                                                                                                                       | 14 | 72.18 % |
| 15 Adjusted funding target attainment percentage.....                                                                                                              | 15 | 72.19 % |
| 16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement..... | 16 | 53.62 % |
| 17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....                                        | 17 | 67.30 % |

| Part IV Contributions and liquidity shortfalls                                    |                                   |                                 |                          |                                   |                                 |
|-----------------------------------------------------------------------------------|-----------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|
| 18 Contributions made to the plan for the plan year by employer(s) and employees: |                                   |                                 |                          |                                   |                                 |
| (a) Date<br>(MM-DD-YYYY)                                                          | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
| 04/14/2009                                                                        | 1919366                           |                                 |                          |                                   |                                 |
| 07/14/2009                                                                        | 1919366                           |                                 |                          |                                   |                                 |
| 10/14/2009                                                                        | 1919366                           |                                 |                          |                                   |                                 |
| 03/01/2010                                                                        | 31561                             |                                 |                          |                                   |                                 |
| 04/26/2010                                                                        | 37494                             |                                 |                          |                                   |                                 |
| 09/14/2010                                                                        | 404142                            |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 | Totals ►                 | 18(b)                             | 6231295                         |
|                                                                                   |                                   |                                 |                          | 18(c)                             | 0                               |

|                                                                                                                               |                                                                     |         |
|-------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|---------|
| 19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year: |                                                                     |         |
| a Contributions allocated toward unpaid minimum required contribution from prior years.....                                   | 19a                                                                 | 0       |
| b Contributions made to avoid restrictions adjusted to valuation date .....                                                   | 19b                                                                 | 0       |
| c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....               | 19c                                                                 | 5940896 |
| 20 Quarterly contributions and liquidity shortfalls:                                                                          |                                                                     |         |
| a Did the plan have a "funding shortfall" for the prior year? .....                                                           | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |         |
| b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? .....                   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |         |
| c If 20a is "Yes," see instructions and complete the following table as applicable:                                           |                                                                     |         |

| Liquidity shortfall as of end of Quarter of this plan year |         |         |         |
|------------------------------------------------------------|---------|---------|---------|
| (1) 1st                                                    | (2) 2nd | (3) 3rd | (4) 4th |
| 0                                                          | 0       | 0       | 0       |

**Part V Assumptions used to determine funding target and target normal cost**

|                                                                                                                                                                                              |                   |                   |                   |                                                                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|----------------------------------------------------------------|
| <b>21</b> Discount rate:                                                                                                                                                                     |                   |                   |                   |                                                                |
| <b>a</b> Segment rates:                                                                                                                                                                      | 1st segment:<br>% | 2nd segment:<br>% | 3rd segment:<br>% | <input checked="" type="checkbox"/> N/A, full yield curve used |
| <b>b</b> Applicable month (enter code) .....                                                                                                                                                 |                   |                   |                   | <b>21b</b>                                                     |
| <b>22</b> Weighted average retirement age .....                                                                                                                                              |                   |                   |                   | <b>22</b> 63                                                   |
| <b>23</b> Mortality table(s) (see instructions) <input type="checkbox"/> Prescribed - combined <input checked="" type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute |                   |                   |                   |                                                                |

**Part VI Miscellaneous items**

|                                                                                                                                                                        |                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| <b>24</b> Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. .... | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>25</b> Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ....                                      | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>26</b> Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....                             | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>27</b> If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....                   | <b>27</b>                                                           |

**Part VII Reconciliation of unpaid minimum required contributions for prior years**

|                                                                                                                                     |           |   |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------|---|
| <b>28</b> Unpaid minimum required contribution for all prior years .....                                                            | <b>28</b> | 0 |
| <b>29</b> Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)..... | <b>29</b> | 0 |
| <b>30</b> Remaining amount of unpaid minimum required contributions (item 28 minus item 29) .....                                   | <b>30</b> | 0 |

**Part VIII Minimum required contribution for current year**

|                                                                                                                                                                                      |                     |                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|
| <b>31</b> Target normal cost, adjusted, if applicable (see instructions).....                                                                                                        | <b>31</b>           | 4559311            |
| <b>32</b> Amortization installments:                                                                                                                                                 | Outstanding Balance | Installment        |
| <b>a</b> Net shortfall amortization installment .....                                                                                                                                | 6836777             | 1381509            |
| <b>b</b> Waiver amortization installment .....                                                                                                                                       | 0                   | 0                  |
| <b>33</b> If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount ..... | <b>33</b>           | 0                  |
| <b>34</b> Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....                                                   | <b>34</b>           | 5940820            |
|                                                                                                                                                                                      | Carryover balance   | Prefunding balance |
| <b>35</b> Balances used to offset funding requirement .....                                                                                                                          | 0                   | 0                  |
| <b>36</b> Additional cash requirement (item 34 minus item 35).....                                                                                                                   | <b>36</b>           | 5940820            |
| <b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....                                                   | <b>37</b>           | 5940896            |
| <b>38</b> Interest-adjusted excess contributions for current year (see instructions).....                                                                                            | <b>38</b>           | 76                 |
| <b>39</b> Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....                                                                       | <b>39</b>           | 0                  |
| <b>40</b> Unpaid minimum required contribution for all years .....                                                                                                                   | <b>40</b>           | 0                  |

|                                                                                                                                                                                                                                              |                                                                                                                                                                                                                             |                                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| <div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury<br/>Internal Revenue Service</div> <div>Department of Labor<br/>Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div> | <div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div> | 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

|                                                                                                       |                                                                         |
|-------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| <div>A Name of plan</div> <div>VERSO PAPER PENSION PLAN FOR HOURLY EMPLOYEES</div>                    | <div>B Three-digit plan number (PN)</div> <div>▶ 003</div>              |
|                                                                                                       |                                                                         |
| <div>C Plan sponsor's name as shown on line 2a of Form 5500</div> <div>VERSO PAPER HOLDINGS LLC</div> | <div>D Employer Identification Number (EIN)</div> <div>56-2597634</div> |

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

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

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

**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)

RSM MCGLADREY, INC.

191 N. WACKER DRIVE  
SUITE 1400  
CHICAGO, IL 60606-1921

41-1944416

| <b>(b)</b><br>Service<br>Code(s) | <b>(c)</b><br>Relationship to<br>employer, employee<br>organization, or<br>person known to be<br>a party-in-interest | <b>(d)</b><br>Enter direct<br>compensation paid<br>by the plan. If none,<br>enter -0-. | <b>(e)</b><br>Did service provider<br>receive indirect<br>compensation? (sources<br>other than plan or plan<br>sponsor) | <b>(f)</b><br>Did indirect compensation<br>include eligible indirect<br>compensation, for which the<br>plan received the required<br>disclosures? | <b>(g)</b><br>Enter total indirect<br>compensation received by<br>service provider excluding<br>eligible indirect<br>compensation for which you<br>answered "Yes" to element<br>(f). If none, enter -0-. | <b>(h)</b><br>Did the service<br>provider give you a<br>formula instead of<br>an amount or<br>estimated amount? |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| 11                               | NONE                                                                                                                 | 68460                                                                                  | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                     | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                                               | 59727                                                                                                                                                                                                    | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                             |

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

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

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

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

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

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

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

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

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

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

**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<br>(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<br>(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<br>(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)

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN;       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN;       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>SCHEDULE D</b><br><b>(Form 5500)</b><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small> | <b>DFE/Participating Plan Information</b><br><p style="text-align: center;">This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</p> <p style="text-align: center;">▶ <b>File as an attachment to Form 5500.</b></p> | <small>OMB No. 1210-0110</small><br><hr/> <p style="text-align: center; font-size: 1.2em;"><b>2009</b></p> <hr/> <p style="text-align: center;"><b>This Form is Open to Public Inspection.</b></p> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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

|                                                                                                         |                                                                    |  |
|---------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|--|
| <b>A</b> Name of plan<br><u>VERSO PAPER PENSION PLAN FOR HOURLY EMPLOYEES</u>                           | <b>B</b> Three-digit plan number (PN) ▶ <u>003</u>                 |  |
| <b>C</b> Plan or DFE sponsor's name as shown on line 2a of Form 5500<br><u>VERSO PAPER HOLDINGS LLC</u> | <b>D</b> Employer Identification Number (EIN)<br><u>56-2597634</u> |  |

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

|                                                                                            |                               |                                                                                                                     |
|--------------------------------------------------------------------------------------------|-------------------------------|---------------------------------------------------------------------------------------------------------------------|
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>DIVERSIFIED BOND SEPARATE ACCOUNT</u>    |                               |                                                                                                                     |
| <b>b</b> Name of sponsor of entity listed in (a): <u>NATIONWIDE LIFE INSURANCE COMPANY</u> |                               |                                                                                                                     |
| <b>c</b> EIN-PN <u>23-0990450-418</u>                                                      | <b>d</b> Entity code <u>P</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>10459134</u> |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>INTERNATIONAL EQUITY SEPARATE ACCOU</u>  |                               |                                                                                                                     |
| <b>b</b> Name of sponsor of entity listed in (a): <u>NATIONWIDE LIFE INSURANCE COMPANY</u> |                               |                                                                                                                     |
| <b>c</b> EIN-PN <u>23-0990450-406</u>                                                      | <b>d</b> Entity code <u>P</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>3817216</u>  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>LARGE CAP GROWTH SEPARATE ACCOUNT</u>    |                               |                                                                                                                     |
| <b>b</b> Name of sponsor of entity listed in (a): <u>NATIONWIDE LIFE INSURANCE COMPANY</u> |                               |                                                                                                                     |
| <b>c</b> EIN-PN <u>23-0990450-424</u>                                                      | <b>d</b> Entity code <u>P</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>3109158</u>  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>LARGE CAP VALUE SEPARATE ACCOUNT</u>     |                               |                                                                                                                     |
| <b>b</b> Name of sponsor of entity listed in (a): <u>NATIONWIDE LIFE INSURANCE COMPANY</u> |                               |                                                                                                                     |
| <b>c</b> EIN-PN <u>23-0990450-422</u>                                                      | <b>d</b> Entity code <u>P</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>3039786</u>  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>SMALL CAP GROWTH SEPARATE ACCOUNT</u>    |                               |                                                                                                                     |
| <b>b</b> Name of sponsor of entity listed in (a): <u>NATIONWIDE LIFE INSURANCE COMPANY</u> |                               |                                                                                                                     |
| <b>c</b> EIN-PN <u>23-0990450-423</u>                                                      | <b>d</b> Entity code <u>P</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>530024</u>   |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>SMALL CAP VALUE SEPARATE ACCOUNT</u>     |                               |                                                                                                                     |
| <b>b</b> Name of sponsor of entity listed in (a): <u>NATIONWIDE LIFE INSURANCE COMPANY</u> |                               |                                                                                                                     |
| <b>c</b> EIN-PN <u>23-0990450-421</u>                                                      | <b>d</b> Entity code <u>P</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>530421</u>   |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE:                                             |                               |                                                                                                                     |
| <b>b</b> Name of sponsor of entity listed in (a):                                          |                               |                                                                                                                     |
| <b>c</b> EIN-PN                                                                            | <b>d</b> Entity code          | <b>e</b> 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

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              |                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Financial Information</b><br><br>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).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110                             |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              | <b>2009</b>                                   |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              | <b>This Form is Open to Public Inspection</b> |

|                                                                                                          |                                                                          |            |
|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|------------|
| For calendar plan year 2009 or fiscal plan year beginning <u>01/01/2009</u> and ending <u>12/31/2009</u> |                                                                          |            |
| <b>A</b> Name of plan<br><u>VERSO PAPER PENSION PLAN FOR HOURLY EMPLOYEES</u>                            | <b>B</b> Three-digit plan number (PN) <span style="float:right">►</span> | <u>003</u> |
|                                                                                                          |                                                                          |            |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>VERSO PAPER HOLDINGS LLC</u>         | <b>D</b> Employer Identification Number (EIN)<br><br><u>56-2597634</u>   |            |

|               |                                      |
|---------------|--------------------------------------|
| <b>Part I</b> | <b>Asset and Liability Statement</b> |
|---------------|--------------------------------------|

**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 |
|---------------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>a</b> Total noninterest-bearing cash .....                                                     | <b>1a</b>       |                       |                 |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                      |                 |                       |                 |
| <b>(1)</b> Employer contributions .....                                                           | <b>1b(1)</b>    | <u>1159983</u>        | <u>473197</u>   |
| <b>(2)</b> Participant contributions .....                                                        | <b>1b(2)</b>    |                       |                 |
| <b>(3)</b> Other.....                                                                             | <b>1b(3)</b>    |                       |                 |
| <b>c</b> General investments:                                                                     |                 |                       |                 |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....  | <b>1c(1)</b>    |                       |                 |
| <b>(2)</b> U.S. Government securities.....                                                        | <b>1c(2)</b>    |                       |                 |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                           |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                        | <b>1c(3)(A)</b> |                       |                 |
| <b>(B)</b> All other.....                                                                         | <b>1c(3)(B)</b> |                       |                 |
| <b>(4)</b> Corporate stocks (other than employer securities):                                     |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                        | <b>1c(4)(A)</b> |                       |                 |
| <b>(B)</b> Common .....                                                                           | <b>1c(4)(B)</b> |                       |                 |
| <b>(5)</b> Partnership/joint venture interests .....                                              | <b>1c(5)</b>    |                       |                 |
| <b>(6)</b> Real estate (other than employer real property) .....                                  | <b>1c(6)</b>    |                       |                 |
| <b>(7)</b> Loans (other than to participants) .....                                               | <b>1c(7)</b>    |                       |                 |
| <b>(8)</b> Participant loans .....                                                                | <b>1c(8)</b>    |                       |                 |
| <b>(9)</b> Value of interest in common/collective trusts.....                                     | <b>1c(9)</b>    |                       |                 |
| <b>(10)</b> Value of interest in pooled separate accounts.....                                    | <b>1c(10)</b>   | <u>12230629</u>       | <u>21485738</u> |
| <b>(11)</b> Value of interest in master trust investment accounts .....                           | <b>1c(11)</b>   |                       |                 |
| <b>(12)</b> Value of interest in 103-12 investment entities .....                                 | <b>1c(12)</b>   |                       |                 |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....        | <b>1c(13)</b>   | <u>725211</u>         | <u>1027448</u>  |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts)..... | <b>1c(14)</b>   | <u>0</u>              | <u>0</u>        |
| <b>(15)</b> Other .....                                                                           | <b>1c(15)</b>   |                       |                 |

**1d** Employer-related investments:

|                                                                      |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> |                       |                 |
| (2) Employer real property .....                                     | <b>1d(2)</b> |                       |                 |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    |                       |                 |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 14115823              | 22986383        |

**Liabilities**

|                                                                           |           |   |       |
|---------------------------------------------------------------------------|-----------|---|-------|
| <b>g</b> Benefit claims payable .....                                     | <b>1g</b> |   |       |
| <b>h</b> Operating payables .....                                         | <b>1h</b> |   | 11290 |
| <b>i</b> Acquisition indebtedness .....                                   | <b>1i</b> |   |       |
| <b>j</b> Other liabilities .....                                          | <b>1j</b> |   |       |
| <b>k</b> Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b> | 0 | 11290 |

**Net Assets**

|                                                           |           |          |          |
|-----------------------------------------------------------|-----------|----------|----------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 14115823 | 22975093 |
|-----------------------------------------------------------|-----------|----------|----------|

**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 Contributions:**

|                                                                                                            |                 | (a) Amount | (b) Total |
|------------------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| (1) Received or receivable in cash from: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> | 6231295    |           |
| <b>(B)</b> Participants .....                                                                              | <b>2a(1)(B)</b> |            |           |
| <b>(C)</b> Others (including rollovers) .....                                                              | <b>2a(1)(C)</b> |            |           |
| (2) Noncash contributions .....                                                                            | <b>2a(2)</b>    |            |           |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |            | 6231295   |

**b Earnings on investments:****(1) Interest:**

|                                                                                                      |                 |  |   |
|------------------------------------------------------------------------------------------------------|-----------------|--|---|
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) ..... | <b>2b(1)(A)</b> |  |   |
| <b>(B)</b> U.S. Government securities .....                                                          | <b>2b(1)(B)</b> |  |   |
| <b>(C)</b> Corporate debt instruments .....                                                          | <b>2b(1)(C)</b> |  |   |
| <b>(D)</b> Loans (other than to participants) .....                                                  | <b>2b(1)(D)</b> |  |   |
| <b>(E)</b> Participant loans .....                                                                   | <b>2b(1)(E)</b> |  |   |
| <b>(F)</b> Other .....                                                                               | <b>2b(1)(F)</b> |  |   |
| <b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                        | <b>2b(1)(G)</b> |  | 0 |

|                                                                                           |                 |  |   |
|-------------------------------------------------------------------------------------------|-----------------|--|---|
| (2) Dividends: <b>(A)</b> Preferred stock .....                                           | <b>2b(2)(A)</b> |  |   |
| <b>(B)</b> Common stock .....                                                             | <b>2b(2)(B)</b> |  |   |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                 | <b>2b(2)(C)</b> |  |   |
| <b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> ..... | <b>2b(2)(D)</b> |  | 0 |

|                 |              |  |  |
|-----------------|--------------|--|--|
| (3) Rents ..... | <b>2b(3)</b> |  |  |
|-----------------|--------------|--|--|

|                                                                                           |                 |  |   |
|-------------------------------------------------------------------------------------------|-----------------|--|---|
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                | <b>2b(4)(A)</b> |  |   |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                             | <b>2b(4)(B)</b> |  |   |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result ..... | <b>2b(4)(C)</b> |  | 0 |

|                                                                                                   |                 | (a) Amount | (b) Total |
|---------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>2b</b> (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....              | <b>2b(5)(A)</b> |            |           |
| (B) Other .....                                                                                   | <b>2b(5)(B)</b> |            |           |
| (C) Total unrealized appreciation of assets.<br>Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....    | <b>2b(5)(C)</b> |            | 0         |
| (6) Net investment gain (loss) from common/collective trusts .....                                | <b>2b(6)</b>    |            |           |
| (7) Net investment gain (loss) from pooled separate accounts .....                                | <b>2b(7)</b>    |            | 3006213   |
| (8) Net investment gain (loss) from master trust investment accounts .....                        | <b>2b(8)</b>    |            |           |
| (9) Net investment gain (loss) from 103-12 investment entities .....                              | <b>2b(9)</b>    |            |           |
| (10) Net investment gain (loss) from registered investment<br>companies (e.g., mutual funds)..... | <b>2b(10)</b>   |            | 36318     |
| <b>c</b> Other income.....                                                                        | <b>2c</b>       |            |           |
| <b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total.....           | <b>2d</b>       |            | 9273826   |

**Expenses**

|                                                                                            |              |        |        |
|--------------------------------------------------------------------------------------------|--------------|--------|--------|
| <b>e</b> Benefit payment and payments to provide benefits:                                 |              |        |        |
| (1) Directly to participants or beneficiaries, including direct rollovers .....            | <b>2e(1)</b> | 251436 |        |
| (2) To insurance carriers for the provision of benefits .....                              | <b>2e(2)</b> |        |        |
| (3) Other .....                                                                            | <b>2e(3)</b> |        |        |
| (4) Total benefit payments. Add lines <b>2e(1)</b> through <b>(3)</b> .....                | <b>2e(4)</b> |        | 251436 |
| <b>f</b> Corrective distributions (see instructions) .....                                 | <b>2f</b>    |        |        |
| <b>g</b> Certain deemed distributions of participant loans (see instructions).....         | <b>2g</b>    |        |        |
| <b>h</b> Interest expense.....                                                             | <b>2h</b>    |        |        |
| <b>i</b> Administrative expenses: (1) Professional fees .....                              | <b>2i(1)</b> | 68460  |        |
| (2) Contract administrator fees .....                                                      | <b>2i(2)</b> |        |        |
| (3) Investment advisory and management fees .....                                          | <b>2i(3)</b> |        |        |
| (4) Other .....                                                                            | <b>2i(4)</b> | 94660  |        |
| (5) Total administrative expenses. Add lines <b>2i(1)</b> through <b>(4)</b> .....         | <b>2i(5)</b> |        | 163120 |
| <b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total..... | <b>2j</b>    |        | 414556 |

**Net Income and Reconciliation**

|                                                                               |              |  |         |
|-------------------------------------------------------------------------------|--------------|--|---------|
| <b>k</b> Net income (loss). Subtract line <b>2j</b> from line <b>2d</b> ..... | <b>2k</b>    |  | 8859270 |
| <b>l</b> Transfers of assets:                                                 |              |  |         |
| (1) To this plan.....                                                         | <b>2l(1)</b> |  |         |
| (2) From this plan .....                                                      | <b>2l(2)</b> |  |         |

**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) ☒ Disclaimer (4) ☐ Adverse

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

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

(1) Name: THOMPSON DUNAVANT PLC

(2) EIN: 62-1701403

**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  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|---------|
| <b>a</b> 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.).....                 |     | X  |         |
| <b>b</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.)..... |     | X  |         |
| <b>c</b> 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.) .....                                                                                                                            |     | X  |         |
| <b>d</b> 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.).....                                                                                                                  |     | X  |         |
| <b>e</b> Was this plan covered by a fidelity bond?.....                                                                                                                                                                                                                                                         | X   |    | 5000000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                                                                                                         |     | X  |         |
| <b>g</b> 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? .....                                                                                                                                      |     | X  |         |
| <b>h</b> 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? .....                                                                                                                            |     | X  |         |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....                                                                                                                                                   | X   |    |         |
| <b>j</b> 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.).....                                                                                    |     | X  |         |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....                                                                                                                                              |     | X  |         |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....                                                                                                                                                                                                                              |     | X  |         |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....                                                                                                                                                                                     |     |    |         |
| <b>n</b> 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. ....                                                                                                                        |     |    |         |

- 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)

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

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            |                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| <b>SCHEDULE R</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Retirement Plan Information</b><br><br>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).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110                              |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            | <b>2009</b>                                    |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            | <b>This Form is Open to Public Inspection.</b> |

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

|                                                                                                  |                                                                    |
|--------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>VERSO PAPER PENSION PLAN FOR HOURLY EMPLOYEES</u>                    | <b>B</b> Three-digit plan number (PN) ▶<br><u>003</u>              |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>VERSO PAPER HOLDINGS LLC</u> | <b>D</b> Employer Identification Number (EIN)<br><u>56-2597634</u> |

|               |                      |
|---------------|----------------------|
| <b>Part I</b> | <b>Distributions</b> |
|---------------|----------------------|

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

|                                                                                                                                                                                                                                                                    |          |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....                                                                                                                              | <b>1</b> | <u>0</u> |
| <b>2</b> 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):<br><br>EIN(s): <u>23-0990450</u> |          |          |
| Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.                                                                                                                                                                                                   |          |          |
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....                                                                                                                                    | <b>3</b> | <u>0</u> |

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

|                                                                                                                                                                                                                                                                                                                                                             |                              |                                        |                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------------------|-----------------------------------------|
| <b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....                                                                                                                                                                                                                                         | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | <input type="checkbox"/> N/A            |
| If the plan is a defined benefit plan, go to line 8.                                                                                                                                                                                                                                                                                                        |                              |                                        |                                         |
| <b>5</b> 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 _____<br>If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule. |                              |                                        |                                         |
| <b>6 a</b> Enter the minimum required contribution for this plan year .....                                                                                                                                                                                                                                                                                 | <b>6a</b>                    |                                        |                                         |
| <b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....                                                                                                                                                                                                                                                                  | <b>6b</b>                    |                                        |                                         |
| <b>c</b> 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).....                                                                                                                                                                                                             | <b>6c</b>                    |                                        |                                         |
| If you completed line 6c, skip lines 8 and 9.                                                                                                                                                                                                                                                                                                               |                              |                                        |                                         |
| <b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....                                                                                                                                                                                                                                                          | <input type="checkbox"/> Yes | <input type="checkbox"/> No            | <input type="checkbox"/> N/A            |
| <b>8</b> 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?.....                                                                                                     | <input type="checkbox"/> Yes | <input type="checkbox"/> No            | <input checked="" type="checkbox"/> N/A |

|                 |                   |
|-----------------|-------------------|
| <b>Part III</b> | <b>Amendments</b> |
|-----------------|-------------------|

|                                                                                                                                                                                                                                |                                              |                                   |                               |                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------|-------------------------------|-----------------------------|
| <b>9</b> 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..... | <input checked="" type="checkbox"/> Increase | <input type="checkbox"/> Decrease | <input type="checkbox"/> Both | <input type="checkbox"/> No |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------|-------------------------------|-----------------------------|

|                |                                                                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part IV</b> | <b>ESOPs</b> (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. |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                              |                              |                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| <b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....                                                       | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>11 a</b> Does the ESOP hold any preferred stock? .....                                                                                                                                    | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>b</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.) ..... | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....                                                                               | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2009  
v.092308.1

**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): \_\_\_\_\_

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

|                                                                          |            |  |
|--------------------------------------------------------------------------|------------|--|
| <b>a</b> The current year .....                                          | <b>14a</b> |  |
| <b>b</b> The plan year immediately preceding the current plan year ..... | <b>14b</b> |  |
| <b>c</b> The second preceding plan year .....                            | <b>14c</b> |  |

- 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:

|                                                                                                       |            |  |
|-------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> The corresponding number for the plan year immediately preceding the current plan year ..... | <b>15a</b> |  |
| <b>b</b> The corresponding number for the second preceding plan year .....                            | <b>15b</b> |  |

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

|                                                                                                                                                                        |            |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> Enter the number of employers who withdrew during the preceding plan year .....                                                                               | <b>16a</b> |  |
| <b>b</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 ..... | <b>16b</b> |  |

- 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: 40% Investment-Grade Debt: 43% High-Yield Debt: 4% Real Estate: 0% Other: 13%

- 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):

**VERSO PAPER COMPANY PENSION PLAN  
FOR HOURLY EMPLOYEES**

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Financial Statements  
and Supplemental Schedule  
For the Year Ended December 31, 2009

# VERSO PAPER COMPANY PENSION PLAN FOR HOURLY EMPLOYEES

## Contents

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| Schedule H, Line 4i - Schedule of Assets (Held at End of Year) | 13   |

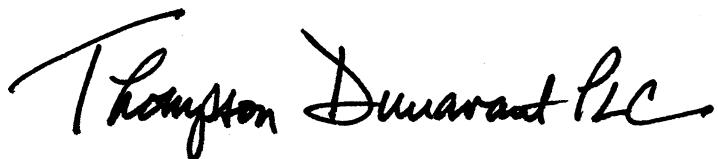
Independent Auditor's Report

To the Benefits Committee  
Verso Paper Company Pension Plan for Hourly Employees  
Memphis, Tennessee

We were engaged to audit the accompanying statements of net assets available for benefits of Verso Paper Company Pension Plan for Hourly Employees as of December 31, 2009 and 2008 and the related statements of changes in net assets available for benefits for the years then ended, and the supplemental schedule of assets (held at end of year) as of December 31, 2009. These financial statements and the 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 information summarized in note 5, which was certified by the custodian of the Plan, except for comparing the information with the related information included in the financial statements and the supplemental schedule. We have been informed by the plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the custodian as of December 31, 2009 and 2008 and for the years then ended, that the information provided to the plan administrator by the custodian is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and we do not, express an opinion on the accompanying financial statements and the supplemental schedule taken as a whole. The form and content of the information included in the financial statements and the supplemental schedule, other than that derived from the information certified by the custodian, 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.



Memphis, Tennessee  
October 8, 2010

## VERSO PAPER COMPANY PENSION PLAN FOR HOURLY EMPLOYEES

### Statements of Net Assets Available for Benefits December 31, 2009 and 2008

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|                                   | <u>2009</u>                 | <u>2008</u>                 |
|-----------------------------------|-----------------------------|-----------------------------|
| Assets                            |                             |                             |
| Investments                       |                             |                             |
| Pooled separate accounts          | \$ 21,485,738               | \$ 12,230,629               |
| Common/collective trust fund      | <u>1,027,448</u>            | <u>725,211</u>              |
|                                   | 22,513,186                  | 12,955,840                  |
| Employer contributions receivable | <u>473,197</u>              | <u>1,159,983</u>            |
| Total assets                      | 22,986,383                  | 14,115,823                  |
| Liabilities                       |                             |                             |
| Accrued expenses                  | <u>11,290</u>               | <u>13,280</u>               |
| Net assets available for benefits | \$ <u><u>22,975,093</u></u> | \$ <u><u>14,102,543</u></u> |

The accompanying notes are an integral  
part of these financial statements.

## VERSO PAPER COMPANY PENSION PLAN FOR HOURLY EMPLOYEES

### Statements of Changes in Net Assets Available for Benefits For the Years Ended December 31, 2009 and 2008

|                                                              | <u>2009</u>          | <u>2008</u>          |
|--------------------------------------------------------------|----------------------|----------------------|
| Additions to net assets attributed to:                       |                      |                      |
| Investment income (loss)                                     |                      |                      |
| Net appreciation (depreciation) in fair value of investments | \$ 3,120,068         | \$ (2,923,376)       |
| Less investment expenses                                     | <u>(77,537)</u>      | <u>(47,891)</u>      |
| Net investment income (loss)                                 | 3,042,531            | (2,971,267)          |
| Employer contributions                                       | <u>6,231,295</u>     | <u>7,537,296</u>     |
| Total additions                                              | 9,273,826            | 4,566,029            |
| Deductions from net assets attributed to:                    |                      |                      |
| Benefits paid to participants and beneficiaries              | 251,436              | 101,458              |
| Administrative expenses                                      | 55,180               | 31,242               |
| PBGC premiums                                                | <u>94,660</u>        | <u>58,954</u>        |
| Total deductions                                             | <u>401,276</u>       | <u>191,654</u>       |
| Net increase in net assets                                   | 8,872,550            | 4,374,375            |
| Net assets available for benefits                            |                      |                      |
| Beginning of year                                            | <u>14,102,543</u>    | <u>9,728,168</u>     |
| End of year                                                  | <u>\$ 22,975,093</u> | <u>\$ 14,102,543</u> |

The accompanying notes are an integral  
part of these financial statements.

## VERSO PAPER COMPANY PENSION PLAN FOR HOURLY EMPLOYEES

Notes to Financial Statements  
December 31, 2009 and 2008

---

### Note 1 - Description of Plan

The following description of Verso Paper Company Pension Plan for Hourly Employees provides only general information. Readers should refer to the Plan Agreement for a more complete description of the Plan's provisions.

#### General

Verso Paper Company Pension Plan for Hourly Employees (the "Plan") is a non-contributory defined benefit pension plan covering full time and part time employees of Verso Paper Company (the "Company") who have attained the age of twenty-one (21) and completed one year of service in the following classifications: Hourly Union Free and OPEIU Local 442 of the Androscoggin Mill in Jay, Maine; USW Local 274 of the Sartell Mill in Sartell, Minnesota; and USW Local 1-1188, USW Local 4-0261, IBEW Local 1777, IAM & AW Lodge 1821, and OPEIU Local 555 of the Bucksport Mill in Bucksport, Maine. The Plan was established on August 1, 2006, for the benefit of eligible employees, retired employees, and/or their beneficiaries. Employees who were participants in the International Paper Retirement Plan as of August 1, 2006, became participants in the Plan as of August 1, 2006. The Plan is maintained under collective bargaining agreements. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

In June 2009, the Company offered a Voluntary Early Retirement Program (VERP) to participants who were born prior to October 1, 1949 and employed as of June 29, 2009, at either the Androscoggin Mill or the Sartell Mill, with at least five (5) years of vesting service as of September 30, 2009. Hourly employees, who applied and were accepted into the VERP, received three additional years of credited service. In addition, any reduction in benefits for early commencement was waived.

#### Contributions

Contributions by the Company are based upon actuarial computations.

#### Pension benefits

Benefits become vested after a participant has five years of vesting service or after attainment of age sixty-five (65). Distributions are paid in the form of monthly annuity payments as defined in the Plan Agreement. If the present value of the vested benefit is less than \$5,000, then the benefit will automatically be paid in a single lump sum payment. The amount of a participant's normal retirement benefit is computed based upon the participant's years of credited service and age. The Plan permits reduced benefits for those participants electing early retirement.

With respect to any participant who became a participant as of August 1, 2006, the plan administrator shall credit the participant with the credited service earned under the retirement plan of International Paper Company as of July 31, 2006, and offset the benefit computed under the Plan by the amount of the participant's accrued normal retirement benefit under the retirement plan of International Paper Company as of July 31, 2006.

## VERSO PAPER COMPANY PENSION PLAN FOR HOURLY EMPLOYEES

Notes to Financial Statements (Continued)  
December 31, 2009 and 2008

---

### Note 1 - Description of Plan (continued)

#### Death and disability benefits

If an active participant dies, the participant's surviving spouse is entitled to a death benefit as defined in the Plan Agreement. Active participants who become totally disabled receive annual benefits as defined in the Plan Agreement.

#### Plan termination

Although it has not expressed any intent to do so, the Company has the right to modify or terminate the Plan at any time subject to the provisions of ERISA and the Plan Agreement. In the event of termination, the Plan provides that all affected participants' interests will become fully vested and nonforfeitable.

### Note 2 - Summary of significant accounting policies

#### Codification of accounting standards

The Financial Accounting Standards Board (FASB) issued the *FASB Accounting Standards Codification* (ASC) effective for financial statements issued for interim and annual periods ending after September 15, 2009. The ASC is an aggregation of previously issued authoritative U.S. generally accepted accounting principles (GAAP) in one comprehensive set of guidance organized by subject area. In accordance with the ASC, references to previously issued accounting standards have been replaced by ASC references. Subsequent revisions to GAAP will be incorporated into the ASC through *Accounting Standards Updates* (ASU).

#### Investments

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. See note 6 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Net appreciation (depreciation) in fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

#### Actuarial present value of accumulated plan benefits

Accumulated plan benefits are those future periodic payments, including lump sum distributions, that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to retired or terminated employees or their beneficiaries, beneficiaries of employees who have died, and present employees or their beneficiaries. The accumulated plan benefits are based upon the participants' estimated monthly benefits which are based upon date of retirement and years of credited service, as detailed in the Plan Agreement. Benefits payable under all circumstances (retirement, death, disability, and termination of employment) are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

## VERSO PAPER COMPANY PENSION PLAN FOR HOURLY EMPLOYEES

Notes to Financial Statements (Continued)  
December 31, 2009 and 2008

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### Note 2 - Summary of significant accounting policies (continued)

#### Actuarial present value of accumulated plan benefits (continued)

The actuarial present value of accumulated plan benefits is determined by an independent enrolled actuary, and is that amount which results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money and the probability of payment between the valuation date and the expected date of payment.

#### Benefit payments

Benefit payments to participants and beneficiaries are recorded upon distribution.

#### Events occurring after reporting date

Management has evaluated events and transactions that have occurred between December 31, 2009 and October 8, 2010, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

#### Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the plan administrator to make estimates and assumptions which affect certain reported amounts and disclosures. Actual results could differ from those estimates.

### Note 3 - Funding policy

The Company's funding policy is to make annual contributions to the Plan in the amounts that are estimated to fully provide all accrued benefits by the time each participant retires and to meet the minimum funding requirements of ERISA. The Company's contributions are to be made in cash no later than the earlier of the date permitted by law for meeting the minimum funding standards or the date for making tax deductible contributions. Based upon the January 1, 2009, actuarial valuation, the minimum contribution required by the Company was \$5,940,820 for the year ended December 31, 2009. Based upon the January 1, 2008, actuarial valuation, the minimum contribution required by the Company was \$7,236,065 for the year ended December 30, 2008. Actual contributions by the Company totaled \$6,231,295 for 2009 and \$7,537,296 for 2008.

Although it has not expressed the intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA and the Plan Agreement. In the event the Plan terminates, the net assets of the Plan will be allocated as prescribed by ERISA and its related regulations.

Certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC) if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the

## VERSO PAPER COMPANY PENSION PLAN FOR HOURLY EMPLOYEES

Notes to Financial Statements (Continued)  
December 31, 2009 and 2008

### Note 3 - Funding policy (continued)

PBGC does not guarantee all types of benefits, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees. For Plan terminations occurring during 2009 that ceiling was \$4,500 per month for straight life annuity options.

### Note 4 - Actuarial present value of accumulated plan benefits

Consulting actuaries evaluated the Plan as of January 1, 2009 and estimated the present value of accumulated benefits, and changes in those accumulated benefits, to be as follows:

Actuarial present value of accumulated plan benefits:

|                                                                    |                      |
|--------------------------------------------------------------------|----------------------|
| Vested benefits                                                    |                      |
| Participants and beneficiaries currently receiving payments        | \$ 1,447,494         |
| Active participants and participants with deferred vested benefits | 17,692,229           |
| Non-vested benefits                                                | <u>360,632</u>       |
| Total actuarial present value of accumulated plan benefits         | <u>\$ 19,500,355</u> |

Changes in the present value of accumulated plan benefits:

|                                                                         |                      |
|-------------------------------------------------------------------------|----------------------|
| Actuarial present value of accumulated plan benefits at January 1, 2008 | \$ 18,180,414        |
| Additional benefits earned including experience gains and losses        | 6,906,437            |
| Increase for interest due to decrease in discount period                | 1,065,733            |
| Changes in actuarial assumptions                                        | (6,550,771)          |
| Benefits paid during the year                                           | <u>(101,458)</u>     |
| Actuarial present value of accumulated plan benefits at January 1, 2009 | <u>\$ 19,500,355</u> |

The more significant methods and assumptions used by the actuaries in their valuation are as follows:

Actuarial cost method - projected unit credit cost method  
Asset valuation - Market value of assets on valuation date plus contributions receivable  
Interest rate - 8.12% effective rate for 2009, 6.1% effective rate for 2008  
Normal retirement age - 65  
Early retirement age - 55 with 10 years of credited service, benefit formula  
Basis of accumulated plan benefits - credited years of service, benefit formula  
Mortality rates - 2009 annuitant and non-annuitant table (static) for 2009 (2008 annuitant and non-annuitant table (static) for 2008)

## VERSO PAPER COMPANY PENSION PLAN FOR HOURLY EMPLOYEES

Notes to Financial Statements (Continued)  
December 31, 2009 and 2008

### Note 4 - Actuarial present value of accumulated plan benefits (continued)

The foregoing actuarial assumptions are based upon the presumption that the Plan will continue. If the Plan were terminated, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

### Note 5 - Investments

The custodian of the Plan's investments has supplied the plan administrator with certifications as to the completeness and accuracy of all information presented in the accompanying financial statements and the supplemental schedule pertaining to investments, investment income (loss), and reportable transactions as of December 31, 2009 and 2008, and for the years then ended.

The fair value of the individual investments which represent five percent (5%) or more of the Plan's net assets available for benefits as of December 31, 2009 and 2008 is as follows:

|                                            | <u>2009</u>   | <u>2008</u>  |
|--------------------------------------------|---------------|--------------|
| All Pro Diversified Bond Fund              | \$ 10,459,134 | \$ 6,657,893 |
| All Pro International Equity Strategy Fund | 3,817,215     | 1,955,284    |
| All Pro Large Cap Growth Fund              | 3,109,158     | 1,495,181    |
| All Pro Large Cap Value Fund               | 3,039,786     | 1,598,336    |
| Fixed Income Fund                          | 1,027,448 *   | 725,211      |

\* Presented for comparative purposes. Does not represent 5% or more of the fair value of the Plan's net assets at December 31, 2009.

During 2009 and 2008, the Plan's investments (including investments bought, sold and held during the year) appreciated (depreciated) in value as follows:

|                              | <u>2009</u>         | <u>2008</u>           |
|------------------------------|---------------------|-----------------------|
| Pooled separate accounts     | \$ 3,083,750        | \$ (2,947,417)        |
| Common/collective trust fund | <u>36,318</u>       | <u>24,041</u>         |
|                              | <u>\$ 3,120,068</u> | <u>\$ (2,923,376)</u> |

### Note 6 - Fair value measurements

ASC 820, *Fair Value Measurements and Disclosures*, provides a common definition of fair value and establishes the framework for measuring fair value. ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also established a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value, and describes three levels of inputs that may be used to measure fair value.

# **VERSO PAPER COMPANY PENSION PLAN FOR HOURLY EMPLOYEES**

Notes to Financial Statements (Continued)  
December 31, 2009 and 2008

## Note 6 - Fair value measurements (continued)

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets that the Plan has the ability to access as of the measurement date.

**Level 2:** Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

**Level 3:** Significant unobservable inputs that reflect management's own assumptions about the assumptions that market participants would use in pricing an asset.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2009 and 2008.

*Pooled separate accounts and Common/collective trust fund:* Valued at the net asset value (NAV) of units held by the Plan at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although plan management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2009 and 2008.

| <b>Assets at Fair Value at December 31, 2009</b> |                |                      |                |                      |
|--------------------------------------------------|----------------|----------------------|----------------|----------------------|
|                                                  | <u>Level 1</u> | <u>Level 2</u>       | <u>Level 3</u> | <u>Total</u>         |
| Pooled separate accounts                         | \$ -           | \$ 21,485,738        | \$ -           | \$ 21,485,738        |
| Common/collective trust fund                     | -              | <u>1,027,448</u>     | -              | <u>1,027,448</u>     |
| Total                                            | <u>\$ -</u>    | <u>\$ 22,513,186</u> | <u>\$ -</u>    | <u>\$ 22,513,186</u> |

| <b>Assets at Fair Value at December 31, 2008</b> |                |                      |                |                      |
|--------------------------------------------------|----------------|----------------------|----------------|----------------------|
|                                                  | <u>Level 1</u> | <u>Level 2</u>       | <u>Level 3</u> | <u>Total</u>         |
| Pooled separate accounts                         | \$ -           | \$ 12,230,629        | \$ -           | \$ 12,230,629        |
| Common/collective trust fund                     | -              | <u>725,211</u>       | -              | <u>725,211</u>       |
| Total                                            | <u>\$ -</u>    | <u>\$ 12,955,840</u> | <u>\$ -</u>    | <u>\$ 12,955,840</u> |

## VERSO PAPER COMPANY PENSION PLAN FOR HOURLY EMPLOYEES

Notes to Financial Statements (Continued)  
December 31, 2009 and 2008

### Note 7 - Related party transactions

Plan investments represent interests in certain pooled separate accounts and a common/collective trust fund managed by Nationwide Life Insurance Company of America. Nationwide Life Insurance Company of America is the custodian for the Plan and, therefore, these investments and related investment transactions qualify as party-in-interest transactions. Fees paid to the custodian totaled \$77,537 in 2009 and \$47,891 in 2008.

The Company provides the Plan with certain management and administrative services for which no fees are charged.

### Note 8 - Reconciliation to Form 5500

The following is a reconciliation of net assets available for benefits for financial reporting purposes to net assets reported on Form 5500 as filed by the Plan for the years ended December 31, 2009 and 2008:

|                                                                    | <u>2009</u>          | <u>2008</u>          |
|--------------------------------------------------------------------|----------------------|----------------------|
| Net assets available for benefits for financial reporting purposes | \$ 22,975,093        | \$ 14,102,543        |
| Plus accrued expenses                                              | <u>-</u>             | <u>13,280</u>        |
| Net assets per Form 5500                                           | <u>\$ 22,975,093</u> | <u>\$ 14,115,823</u> |

The following is a reconciliation of administrative expenses for financial reporting purposes to administrative expenses reported on Form 5500 as filed by the Plan for the years ended December 31, 2009 and 2008:

|                                                          | <u>2009</u>      | <u>2008</u>      |
|----------------------------------------------------------|------------------|------------------|
| Administrative expenses for financial reporting purposes | \$ 55,180        | \$ 31,242        |
| Accrued expenses at beginning of the year                | 13,280           | 19,345           |
| Accrued expenses at end of the year                      | <u>-</u>         | <u>(13,280)</u>  |
| Administrative expenses per Form 5500                    | <u>\$ 68,460</u> | <u>\$ 37,307</u> |

### Note 9 - Tax status

The Plan has received a determination letter from the Internal Revenue Service dated November 6, 2008, stating that the Plan qualifies under the applicable sections of the Internal Revenue Code (IRC) and is, therefore, not subject to tax under present income tax law. The Plan, which has been amended since receiving the determination letter, is required to operate in conformity with the IRC to maintain its qualification. Management is not aware of any course of action or series of events that have occurred that might adversely affect the Plan's qualified status.

## **VERSO PAPER COMPANY PENSION PLAN FOR HOURLY EMPLOYEES**

Notes to Financial Statements (Continued)  
December 31, 2009 and 2008

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### **Note 10 - Risks and uncertainties**

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

## **SUPPLEMENTAL SCHEDULE**

# **VERSO PAPER COMPANY PENSION PLAN FOR HOURLY EMPLOYEES**

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

EIN: 75-3217399 / Plan Number: 003

December 31, 2009

| <u>(a)</u> | <u>(b)(c) Identity of Issue/Description</u>  | <u>Number<br/>of Shares</u> | <u>(d) Cost</u>     | <u>Current<br/>(e) Value</u> |
|------------|----------------------------------------------|-----------------------------|---------------------|------------------------------|
|            | <u>Pooled separate accounts</u>              |                             |                     |                              |
|            | Nationwide Life Insurance Company of America |                             |                     |                              |
| *          | All Pro Diversified Bond Fund                | 523,533                     | \$ 9,726,821        | \$ 10,459,134                |
| *          | All Pro International Equity Strategy Fund   | 282,719                     | 4,137,983           | 3,817,215                    |
| *          | All Pro Large Cap Growth Fund                | 414,628                     | 3,271,566           | 3,109,158                    |
| *          | All Pro Large Cap Value Fund                 | 249,647                     | 3,163,018           | 3,039,786                    |
| *          | All Pro Small Cap Value Fund                 | 38,704                      | 518,046             | 530,421                      |
| *          | All Pro Small Cap Growth Fund                | 43,616                      | <u>560,707</u>      | <u>530,024</u>               |
|            |                                              |                             | 21,378,141          | 21,485,738                   |
|            | <u>Common/collective trust fund</u>          |                             |                     |                              |
|            | Nationwide Life Insurance Company of America |                             |                     |                              |
| *          | Fixed Income Fund                            | 1,027,448                   | <u>960,628</u>      | <u>1,027,448</u>             |
|            |                                              |                             | <u>\$22,338,769</u> | <u>\$ 22,513,186</u>         |

\* Represents a party-in-interest

**Attachment to 2009 Form 5500**  
**Schedule SB, line 4 - Additional Information for Plans in At-Risk Status**

|                            |                                                      |             |                   |
|----------------------------|------------------------------------------------------|-------------|-------------------|
| <b>Plan Name</b>           | <u>Verso Paper Pension Plan for Hourly Employees</u> | <b>EIN:</b> | <u>56-2597634</u> |
| <b>Plan Sponsor's Name</b> | <u>Verso Paper Holdings LLC</u>                      | <b>PN:</b>  | <u>003</u>        |

Describe the at-risk assumptions for the assumed form of payment.

Assumed Form of Payment: Life annuity at assumed retirement age

Assumed Retirement Age:

- employees currently eligible to retire assumed to retire at the earlier of the next valuation date or as valued using the not-at-risk assumption
- remaining employees who will be eligible to retire within eleven years assumed to retire at the earlier of the next valuation date following attainment of both age 55 and 10 years of vesting service (but not prior to the next valuation date) or as valued using the not-at-risk assumption

**Attachment to 2009 Form 5500**  
**Schedule SB, line 22 - Description of Weighted Average Retirement Age**

|                                                                       |                               |
|-----------------------------------------------------------------------|-------------------------------|
| <b>Plan Name</b> <u>Verso Paper Pension Plan for Hourly Employees</u> | <b>EIN:</b> <u>56-2597634</u> |
| <b>Plan Sponsor's Name</b> <u>Verso Paper Holdings LLC</u>            | <b>PN:</b> <u>003</u>         |

The weighted average retirement age is equal to the normal retirement age of 63.

List the rate of retirement at each age and describe the methodology used to compute the weighted average retirement age, including a description of the weight applied at each potential retirement age.

For employees who, as of 8/1/2006, had attained age 55 with at least 10 years of service: 55-1%;56-1%;57-1%;58-1%;59-1%;60-1%;61-10%;62-50%;63-30%;64-20%;65-80%;66-50%;67-50%;68-50%;69-50%;70-100% (average age=62.7)

For all other employees:

62-20%;63-10%;64-10%;65-80%;66-50%;67-50%;68-50%;69-50%;70-100% (average age=64.4)

Methodology:

- 1) at each age the number expected to retire is the number of lives at the beginning of the year times the rate at that age
- 2) the number of lives at the next age is the number at the prior age less the number expected to retire
- 3) the product of age and number expected to retire at each age is totaled
- 4) the value in 3) divided by the initial number of lives is the average weighted retirement age for the class
- 5) the overall average retirement age is the weighted average of the two classes

**Attachment to 2009 Form 5500**  
**Schedule SB, Part V - Statement of Actuarial Assumptions/Methods**

|                            |                                                      |             |                   |
|----------------------------|------------------------------------------------------|-------------|-------------------|
| <b>Plan Name</b>           | <u>Verso Paper Pension Plan for Hourly Employees</u> | <b>EIN:</b> | <u>56-2597634</u> |
| <b>Plan Sponsor's Name</b> | <u>Verso Paper Holdings LLC</u>                      | <b>PN:</b>  | <u>003</u>        |

Describe all non-prescribed actuarial assumptions used to determine the funding target and target normal cost. Also, describe the method for determining the actuarial value of assets and any other aspects of the funding method for determining the Schedule SB entries that are not prescribed by law.

INTEREST: October 2008 FYC; effective rate 8.12%

MORTALITY: 2009 IRS Annuitant & Non-annuitant Static Mortality Tables

RETIREMENT: see Line 22 attachment

WITHDRAWAL: Select/Ultimate rates by age- select apply during 1st 5 yrs

(25:24.5%/9.6%), (30:21.6%/8.2%), (35:18.7%/6.8%), (40:18.7%/5.4%), (45:18.7%/5.4%),  
(50:18.7%/5.4%), (55:0.0%/0.0%)

DISABILITY: 1987 Commissioner's Group Disability table. Sample rates by (age:  
Male/Female): (25:.089%/.116%), (30:.105%/.155%), (35:.137%/.232%), (40:.202%/.305%),  
(45:.356%/.463%), (50:.662%/.729%), (55:1.187%/1.068%), (60:1.671%/1.253%),  
(65:2.075%/1.425%)

PERCENT MARRIED: Males 80%, Females 50%

AGE DIFFERENCE: Males are assumed to be 3 years older than their spouse

MAXIMUM BENEFIT: IRC 415 limitation

**Attachment to 2009 Form 5500**  
**Schedule SB, Part V - Summary of Plan Provisions**

**Plan Name** Verso Paper Pension Plan for Hourly Employees

**EIN:** 56-2597634

**Plan Sponsor's Name** Verso Paper Holdings LLC

**PN:** 003

**Summary:**

**ELIGIBLE EMPLOYEES:** hourly employees at Androscoggin, Bucksport and Sartell mills who have attained age 21 and completed one year of service from date of hire.

**CREDITED SERVICE:** elapsed time from date of participation.

**PRIOR SERVICE:** service under IP Retirement Plan is recognized

**ACCRUED BENEFIT:** monthly benefit equal to \$3 times IP service plus Verso service at applicable rate times Verso service.

Androscoggin: \$50 if employed at 9/30/07 (future hires - \$45)

Bucksport: \$50 if employed at 5/31/08 (future hires - \$45)

Sartell: \$50 if employed at 8/31/07 (future hires - \$45)

**NORMAL RETIREMENT:** age 65

**EARLY RETIREMENT:** age 55 and 10 years of vesting service; Unreduced at age 62.

Reduced prior to age 62 (94% at 61; 87% at 60; 83% at 59; 78% at 58; 73% at 57; 69% at 56; 65% at 55). Unreduced at 61 if employed with 20 years of service.

**WITHDRAWAL:** Vested after 5 years, deferred to 65, eligible for early retirement at 55 with 10 years of service.

**DISABILITY RETIREMENT:** Immediate, no reduction with 10 years of service, payable after end of short term disability benefits.

**PRE-RETIREMENT DEATH:** 50% of reduced vested accrued benefit payable to spouse at employee's earliest retirement date.

**NORMAL FORM:** Life is single, reduced 50% J&S if married. Lumpsum if under \$5000

**ACTUARIAL EQUIVALENCE:** 7.0% 1983 GAM/Male -1 (spouse: Male -5)

**Attachment to 2009 Form 5500**  
**Schedule SB, line 24 - Change in Actuarial Assumptions**

**Plan Name** Verso Paper Pension Plan for Hourly Employees

**EIN:** 56-2597634

**Plan Sponsor's Name** Verso Paper Holdings LLC

**PN:** 003

Describe any change in non-prescribed actuarial assumptions and justify any such change.  
no changes

**Attachment to 2009 Form 5500**  
**Schedule SB, line 25 - Change in Method**

**Plan Name** Verso Paper Pension Plan for Hourly Employees

**EIN:** 56-2597634

**Plan Sponsor's Name** Verso Paper Holdings LLC

**PN:** 003

Describe the change:

Allowance for expenses expected to be paid included for the first time.

|                            |                                               |
|----------------------------|-----------------------------------------------|
| <b>Plan Name</b>           | Verso Paper Pension Plan for Hourly Employees |
| <b>Plan Sponsor's Name</b> | Verso Paper Holdings LLC                      |

[illegible]

| Attained Age | YEARS OF CREDITED SERVICE |       |           |          |       |           |          |       |           |
|--------------|---------------------------|-------|-----------|----------|-------|-----------|----------|-------|-----------|
|              | 10 to 14                  |       |           | 15 to 19 |       |           | 20 to 24 |       |           |
|              | Average                   |       |           | Average  |       |           | Average  |       |           |
|              | No.                       | Comp. | Cash Bal. | No.      | Comp. | Cash Bal. | No.      | Comp. | Cash Bal. |
| Under 25     | 0                         | 0     | 0         | 0        | 0     | 0         | 0        | 0     | 0         |
| 25 to 29     | 0                         | 0     | 0         | 0        | 0     | 0         | 0        | 0     | 0         |
| 30 to 34     | 2                         | 0     | 0         | 0        | 0     | 0         | 0        | 0     | 0         |
| 35 to 39     | 4                         | 0     | 0         | 5        | 0     | 1         | 0        | 0     | 0         |
| 40 to 44     | 17                        | 0     | 0         | 35       | 0     | 81        | 0        | 0     | 0         |
| 45 to 49     | 10                        | 0     | 0         | 46       | 0     | 246       | 0        | 0     | 0         |
| 50 to 54     | 14                        | 0     | 0         | 38       | 0     | 130       | 0        | 0     | 0         |
| 55 to 59     | 10                        | 0     | 0         | 31       | 0     | 98        | 0        | 0     | 0         |
| 60 to 64     | 0                         | 0     | 0         | 15       | 0     | 34        | 0        | 0     | 0         |
| 65 to 69     | 1                         | 0     | 0         | 0        | 0     | 6         | 0        | 0     | 0         |
| 70 & up      | 1                         | 0     | 0         | 0        | 0     | 0         | 0        | 0     | 0         |

| Attained Age | YEARS OF CREDITED SERVICE |       |           |          |       |           |          |       |           |         |       |           |
|--------------|---------------------------|-------|-----------|----------|-------|-----------|----------|-------|-----------|---------|-------|-----------|
|              | 25 to 29                  |       |           | 30 to 34 |       |           | 35 to 39 |       |           | 40 & up |       |           |
|              | Average                   |       |           | Average  |       |           | Average  |       |           | Average |       |           |
|              | No.                       | Comp. | Cash Bal. | No.      | Comp. | Cash Bal. | No.      | Comp. | Cash Bal. | No.     | Comp. | Cash Bal. |
| Under 25     | 0                         | 0     | 0         | 0        | 0     | 0         | 0        | 0     | 0         | 0       | 0     | 0         |
| 25 to 29     | 0                         | 0     | 0         | 0        | 0     | 0         | 0        | 0     | 0         | 0       | 0     | 0         |
| 30 to 34     | 0                         | 0     | 0         | 0        | 0     | 0         | 0        | 0     | 0         | 0       | 0     | 0         |
| 35 to 39     | 0                         | 0     | 0         | 0        | 0     | 0         | 0        | 0     | 0         | 0       | 0     | 0         |
| 40 to 44     | 0                         | 0     | 0         | 0        | 0     | 0         | 0        | 0     | 0         | 0       | 0     | 0         |
| 45 to 49     | 62                        | 0     | 64        | 0        | 0     | 60        | 0        | 0     | 0         | 0       | 0     | 0         |
| 50 to 54     | 113                       | 0     | 6121      | 0        | 0     | 66        | 0        | 0     | 0         | 0       | 0     | 0         |
| 55 to 59     | 101                       | 0     | 677       | 0        | 0     | 661       | 0        | 0     | 3         | 0       | 0     | 0         |
| 60 to 64     | 38                        | 0     | 636       | 0        | 0     | 643       | 0        | 0     | 28        | 0       | 0     | 0         |
| 65 to 69     | 3                         | 0     | 62        | 0        | 0     | 62        | 0        | 0     | 4         | 0       | 0     | 0         |
| 70 & up      | 0                         | 0     | 60        | 0        | 0     | 60        | 0        | 0     | 0         | 0       | 0     | 0         |

**Schedule SB, line 32 - Schedule of Amortization Bases**

PN: 003

[illegible]

**VERSO PAPER COMPANY PENSION PLAN FOR HOURLY EMPLOYEES**

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

EIN: 75-3217399 / Plan Number: 003

December 31, 2009

| <u>(a)</u> | <u>(b)(c) Identity of Issue/Description</u>  | <u>Number<br/>of Shares</u> | <u>(d) Cost</u>     | <u>Current<br/>(e) Value</u> |
|------------|----------------------------------------------|-----------------------------|---------------------|------------------------------|
|            | <u>Pooled separate accounts</u>              |                             |                     |                              |
|            | Nationwide Life Insurance Company of America |                             |                     |                              |
| *          | All Pro Diversified Bond Fund                | 523,533                     | \$ 9,726,821        | \$ 10,459,134                |
| *          | All Pro International Equity Strategy Fund   | 282,719                     | 4,137,983           | 3,817,215                    |
| *          | All Pro Large Cap Growth Fund                | 414,628                     | 3,271,566           | 3,109,158                    |
| *          | All Pro Large Cap Value Fund                 | 249,647                     | 3,163,018           | 3,039,786                    |
| *          | All Pro Small Cap Value Fund                 | 38,704                      | 518,046             | 530,421                      |
| *          | All Pro Small Cap Growth Fund                | 43,616                      | <u>560,707</u>      | <u>530,024</u>               |
|            |                                              |                             | 21,378,141          | 21,485,738                   |
|            | <u>Common/collective trust fund</u>          |                             |                     |                              |
|            | Nationwide Life Insurance Company of America |                             |                     |                              |
| *          | Fixed Income Fund                            | 1,027,448                   | <u>960,628</u>      | <u>1,027,448</u>             |
|            |                                              |                             | <u>\$22,338,769</u> | <u>\$ 22,513,186</u>         |

\* Represents a party-in-interest

**SCHEDULE SB  
(Form 5500)**Department of the Treasury  
Internal Revenue ServiceDepartment of Labor  
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan  
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

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

▶ **Round off amounts to nearest dollar.**▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.**A** Name of plan

Verso Paper Pension Plan for Hourly Employees

**B** Three-digit

plan number (PN) ▶

003

**C** Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF

Verso Paper Holdings LLC

**D** Employer Identification Number (EIN)

56-2597634

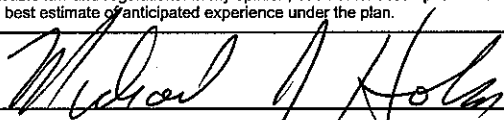
**E** Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B**F** Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500**Part I Basic Information****1** Enter the valuation date: Month 1 Day 1 Year 2009**2** Assets:**a** Market value..... **2a** 14,076,503**b** Actuarial value..... **2b** 14,076,503**3** Funding target/participant count breakdown

(1) Number of participants

(2) Funding Target

**a** For retired participants and beneficiaries receiving payment ..... **3a** 71 1,447,494**b** For terminated vested participants ..... **3b** 44 901,184**c** For active participants:(1) Non-vested benefits..... **3c(1)** 386,815(2) Vested benefits..... **3c(2)** 18,177,787(3) Total active ..... **3c(3)** 1,829 18,564,602**d** Total..... **3d** 1,944 20,913,280**4** If the plan is at-risk, check the box and complete items (a) and (b) ..... ☒**a** Funding target disregarding prescribed at-risk assumptions ..... **4a** 19,500,355**b** Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor ..... **4b** 23,032,670**5** Effective interest rate ..... **5** 8.12 %**6** Target normal cost..... **6** 4,559,311**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

**SIGN  
HERE**

Signature of actuary

Michael J. Holm

Type or print name of actuary

RSM McGladrey Retirement Resources

Firm name

191 N. Wacker Suite 1400

Chicago

IL 60606-1921

Address of the firm

9/27/10

Date

08-03912

Most recent enrollment number

(312) 462-6706

Telephone number (including area code)

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2009  
v.092308.1

| <b>Part II Beginning of year carryover and prefunding balances</b> |                                                                                                 | (a) Carryover balance | (b) Prefunding balance |
|--------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-----------------------|------------------------|
| <b>7</b>                                                           | Balance at beginning of prior year after applicable adjustments (Item 13 from prior year) ..... | 0                     | 0                      |
| <b>8</b>                                                           | Portion used to offset prior year's funding requirement (Item 35 from prior year) .....         | 0                     | 0                      |
| <b>9</b>                                                           | Amount remaining (Item 7 minus item 8).....                                                     | 0                     | 0                      |
| <b>10</b>                                                          | Interest on item 9 using prior year's actual return of <u>(19.21)</u> % .....                   |                       |                        |
| <b>11</b>                                                          | Prior year's excess contributions to be added to prefunding balance:                            |                       |                        |
| <b>a</b>                                                           | Excess contributions (Item 38 from prior year) .....                                            |                       | 0                      |
| <b>b</b>                                                           | Interest on (a) using prior year's effective rate of _____% .....                               |                       | 0                      |
| <b>c</b>                                                           | Total available at beginning of current plan year to add to prefunding balance .....            |                       | 0                      |
| <b>d</b>                                                           | Portion of (c) to be added to prefunding balance.....                                           |                       |                        |
| <b>12</b>                                                          | Reduction in balances due to elections or deemed elections.....                                 | 0                     | 0                      |
| <b>13</b>                                                          | Balance at beginning of current year (item 9 + item 10 + item 11d - item 12) .....              | 0                     | 0                      |

| <b>Part III Funding percentages</b> |                                                                                                                                                                 | 14 | 15      |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|----|---------|
| <b>14</b>                           | Funding target attainment percentage.....                                                                                                                       |    | 72.19 % |
| <b>15</b>                           | Adjusted funding target attainment percentage.....                                                                                                              |    | 72.19 % |
| <b>16</b>                           | Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement..... |    | 53.62 % |
| <b>17</b>                           | If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....                                        |    | 67.31 % |

| <b>Part IV Contributions and liquidity shortfalls</b>                                    |                                   |                                 |                          |                                   |                                 |
|------------------------------------------------------------------------------------------|-----------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|
| <b>18</b> Contributions made to the plan for the plan year by employer(s) and employees: |                                   |                                 |                          |                                   |                                 |
| (a) Date<br>(MM-DD-YYYY)                                                                 | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
| 04/14/2009                                                                               | 1,919,366                         |                                 |                          |                                   |                                 |
| 07/14/2009                                                                               | 1,919,366                         |                                 |                          |                                   |                                 |
| 10/14/2009                                                                               | 1,919,366                         |                                 |                          |                                   |                                 |
| 03/01/2010                                                                               | 31,561                            |                                 |                          |                                   |                                 |
| 04/26/2010                                                                               | 37,494                            |                                 |                          |                                   |                                 |
| 09/14/2010                                                                               | 404,142                           |                                 |                          |                                   |                                 |
| <b>Totals ▶</b>                                                                          |                                   |                                 | <b>18(b)</b>             | 6,231,295                         | <b>18(c)</b>                    |
|                                                                                          |                                   |                                 |                          |                                   | 0                               |

|                                                                                                                                      |                      |
|--------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| <b>19</b> Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year: |                      |
| <b>a</b> Contributions allocated toward unpaid minimum required contribution from prior years. ....                                  | <b>19a</b> 0         |
| <b>b</b> Contributions made to avoid restrictions adjusted to valuation date .....                                                   | <b>19b</b> 0         |
| <b>c</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....               | <b>19c</b> 5,940,896 |

|                                                                                                                                                                                        |         |         |         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|---------|
| <b>20</b> Quarterly contributions and liquidity shortfalls:                                                                                                                            |         |         |         |
| <b>a</b> Did the plan have a "funding shortfall" for the prior year? ..... <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                         |         |         |         |
| <b>b</b> If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ..... <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |         |         |         |
| <b>c</b> If 20a is "Yes," see instructions and complete the following table as applicable:                                                                                             |         |         |         |
| Liquidity shortfall as of end of Quarter of this plan year                                                                                                                             |         |         |         |
| (1) 1st                                                                                                                                                                                | (2) 2nd | (3) 3rd | (4) 4th |
| 0                                                                                                                                                                                      | 0       | 0       | 0       |

**Part V Assumptions used to determine funding target and target normal cost****21** Discount rate:**a** Segment rates:1st segment:  
%2nd segment:  
%3rd segment:  
%☒ N/A, full yield curve used**b** Applicable month (enter code) .....**21b****22** Weighted average retirement age .....**22**

63

**23** Mortality table(s) (see instructions) .....☐

Prescribed - combined

☒

Prescribed - separate

☐

Substitute

**Part VI Miscellaneous items****24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ....☐

Yes

☒

No

**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ....☐

Yes

☒

No

**26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ....☒

Yes

☐

No

**27** If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment. ....**27****Part VII Reconciliation of unpaid minimum required contributions for prior years****28** Unpaid minimum required contribution for all prior years .....**28**

0

**29** Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a) .....**29**

0

**30** Remaining amount of unpaid minimum required contributions (item 28 minus item 29) .....**30**

0

**Part VIII Minimum required contribution for current year****31** Target normal cost, adjusted, if applicable (see instructions) .....**31**

4,559,311

**32** Amortization installments:

Outstanding Balance

Installment

**a** Net shortfall amortization installment .....

6,836,777

1,381,509

**b** Waiver amortization installment .....

0

0

**33** If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_) and the waived amount .....**33**

0

**34** Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33) .....**34**

5,940,820

Carryover balance

Prefunding balance

Total balance

**35** Balances used to offset funding requirement .....

0

0

0

**36** Additional cash requirement (item 34 minus item 35) .....**36**

5,940,820

**37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c) .....**37**

5,940,896

**38** Interest-adjusted excess contributions for current year (see instructions) .....**38**

76

**39** Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37) .....**39**

0

**40** Unpaid minimum required contribution for all years .....**40**

0

**Attachment to 2009 Form 5500**  
**Schedule SB, line 4 - Additional Information for Plans in At-Risk Status**

**Plan Name** Verso Paper Pension Plan for Hourly Employees**EIN:** 56-2597634**Plan Sponsor's Name** Verso Paper Holdings LLC**PN:** 003

Describe the at-risk assumptions for the assumed form of payment.

Assumed Form of Payment: Life annuity at assumed retirement age

Assumed Retirement Age:

- employees currently eligible to retire assumed to retire at the earlier of the next valuation date or as valued using the not-at-risk assumption
- remaining employees who will be eligible to retire within eleven years assumed to retire at the earlier of the next valuation date following attainment of both age 55 and 10 years of vesting service (but not prior to the next valuation date) or as valued using the not-at-risk assumption

**Attachment to 2009 Form 5500**  
**Schedule SB, line 22 - Description of Weighted Average Retirement Age**

|                            |                                                      |             |                   |
|----------------------------|------------------------------------------------------|-------------|-------------------|
| <b>Plan Name</b>           | <u>Verso Paper Pension Plan for Hourly Employees</u> | <b>EIN:</b> | <u>56-2597634</u> |
| <b>Plan Sponsor's Name</b> | <u>Verso Paper Holdings LLC</u>                      | <b>PN:</b>  | <u>003</u>        |

The weighted average retirement age is equal to the normal retirement age of 63.

List the rate of retirement at each age and describe the methodology used to compute the weighted average retirement age, including a description of the weight applied at each potential retirement age.

For employees who, as of 8/1/2006, had attained age 55 with at least 10 years of service: 55-1%;56-1%;57-1%;58-1%;59-1%;60-1%;61-10%;62-50%;63-30%;64-20%;65-80%;66-50%;67-50%;68-50%;69-50%;70-100% (average age=62.7)

For all other employees:

62-20%;63-10%;64-10%;65-80%;66-50%;67-50%;68-50%;69-50%;70-100% (average age=64.4)

**Methodology:**

- 1) at each age the number expected to retire is the number of lives at the beginning of the year times the rate at that age
- 2) the number of lives at the next age is the number at the prior age less the number expected to retire
- 3) the product of age and number expected to retire at each age is totaled
- 4) the value in 3) divided by the initial number of lives is the average weighted retirement age for the class
- 5) the overall average retirement age is the weighted average of the two classes

**Attachment to 2009 Form 5500**  
**Schedule SB, Part V - Statement of Actuarial Assumptions/Methods**

**Plan Name** Verso Paper Pension Plan for Hourly Employees

**EIN:** 56-2597634

**Plan Sponsor's Name** Verso Paper Holdings LLC

**PN:** 003

Describe all non-prescribed actuarial assumptions used to determine the funding target and target normal cost. Also, describe the method for determining the actuarial value of assets and any other aspects of the funding method for determining the Schedule SB entries that are not prescribed by law.

INTEREST: October 2008 FYC; effective rate 8.12%

MORTALITY: 2009 IRS Annuitant & Non-annuitant Static Mortality Tables

RETIREMENT: see Line 22 attachment

WITHDRAWAL: Select/Ultimate rates by age- select apply during 1st 5 yrs

(25:24.5%/9.6%), (30:21.6%/8.2%), (35:18.7%/6.8%), (40:18.7%/5.4%), (45:18.7%/5.4%), (50:18.7%/5.4%), (55:0.0%/0.0%)

DISABILITY: 1987 Commissioner's Group Disability table. Sample rates by (age: Male/Female): (25:.089%/.116%), (30:.105%/.155%), (35:.137%/.232%), (40:.202%/.305%), (45:.356%/.463%), (50:.662%/.729%), (55:1.187%/1.068%), (60:1.671%/1.253%), (65:2.075%/1.425%)

PERCENT MARRIED: Males 80%, Females 50%

AGE DIFFERENCE: Males are assumed to be 3 years older than their spouse

MAXIMUM BENEFIT: IRC 415 limitation

**Attachment to 2009 Form 5500**  
**Schedule SB, Part V - Summary of Plan Provisions**

**Plan Name** Verso Paper Pension Plan for Hourly Employees

**EIN:** 56-2597634

**Plan Sponsor's Name** Verso Paper Holdings LLC

**PN:** 003

**Summary:**

**ELIGIBLE EMPLOYEES:** hourly employees at Androscoggin, Bucksport and Sartell mills who have attained age 21 and completed one year of service from date of hire.

**CREDITED SERVICE:** elapsed time from date of participation.

**PRIOR SERVICE:** service under IP Retirement Plan is recognized

**ACCRUED BENEFIT:** monthly benefit equal to \$3 times IP service plus Verso service at applicable rate times Verso service.

Androscoggin: \$50 if employed at 9/30/07 (future hires - \$45)

Bucksport: \$50 if employed at 5/31/08 (future hires - \$45)

Sartell: \$50 if employed at 8/31/07 (future hires - \$45)

**NORMAL RETIREMENT:** age 65

**EARLY RETIREMENT:** age 55 and 10 years of vesting service; Unreduced at age 62.

Reduced prior to age 62 (94% at 61; 87% at 60; 83% at 59; 78% at 58; 73% at 57; 69% at 56; 65% at 55). Unreduced at 61 if employed with 20 years of service.

**WITHDRAWAL:** Vested after 5 years, deferred to 65, eligible for early retirement at 55 with 10 years of service.

**DISABILITY RETIREMENT:** Immediate, no reduction with 10 years of service, payable after end of short term disability benefits.

**PRE-RETIREMENT DEATH:** 50% of reduced vested accrued benefit payable to spouse at employee's earliest retirement date.

**NORMAL FORM:** Life is single, reduced 50% J&S if married. Lumpsum if under \$5000

**ACTUARIAL EQUIVALENCE:** 7.0% 1983 GAM/Male -1 (spouse: Male -5)

**Attachment to 2009 Form 5500**  
**Schedule SB, line 24 - Change in Actuarial Assumptions**

**Plan Name** Verso Paper Pension Plan for Hourly Employees

**EIN:** 56-2597634

**Plan Sponsor's Name** Verso Paper Holdings LLC

**PN:** 003

Describe any change in non-prescribed actuarial assumptions and justify any such change.  
no changes

**Attachment to 2009 Form 5500**  
**Schedule SB, line 25 - Change in Method**

**Plan Name** Verso Paper Pension Plan for Hourly Employees

**EIN:** 56-2597634

**Plan Sponsor's Name** Verso Paper Holdings LLC

**PN:** 003

**Describe the change:**

Allowance for expenses expected to be paid included for the first time.

PN: 003

[illegible]

PN: 003

[illegible]