Form 5500-SF

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Short Form Annual Return/Report of Small Employee Benefit Plan

This form is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA), and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

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

OMB Nos. 1210-0110
1210-0089

2011

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A This return/report is for: [X] a single-employer plan [ ] a multiple-employer plan (not multiemployer) [ ] a one-participant plan

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
ALABAMA RIVER PULP COMPANY, INC. PENSION PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 04/01/1979

2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)
ALABAMA RIVER PULP COMPANY, INC. C/O PARSONS & WHITTEMORE, INC.

4 INTERNATIONAL DRIVE
RYE BROOK, NY 10573

2b Employer Identification Number (EIN) 13-2854191

2c Sponsor's telephone number 914-937-9009

2d Business code (see instructions) 322100

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
ALABAMA RIVER PULP COMPANY, INC. C/O PARSONS & WHITTEMORE, INC. 4 INTERNATIONAL DRIVE RYE BROOK, NY 10573

3b Administrator's EIN 13-2854191

3c Administrator's telephone number 914-937-9009

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

4b EIN

4c PN

5a	Total number of participants at the beginning of the plan year	**5a**	99
b	Total number of participants at the end of the plan year	**5b**	71
c	Number of participants with account balances as of the end of the plan year (defined benefit plans do not complete this item)	**5c**	

6a Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.) [X] Yes [ ] No

b Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.) [X] Yes [ ] No

If you answered "No" to either 6a or 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.

Part III Financial Information

7 Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a Total plan assets	**7a**	5677315	4097876
b Total plan liabilities	**7b**	0	0
c Net plan assets (subtract line 7b from line 7a)	**7c**	5677315	4097876

8 Income, Expenses, and Transfers for this Plan Year		(a) Amount	(b) Total
a Contributions received or receivable from: **(1)** Employers	**8a(1)**	35918	
(2) Participants	**8a(2)**	0	
(3) Others (including rollovers)	**8a(3)**	0	
b Other income (loss)	**8b**	8272	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	**8c**		44190
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)	**8d**	1608557	
e Certain deemed and/or corrective distributions (see instructions)	**8e**	0	
f Administrative service providers (salaries, fees, commissions)	**8f**	15072	
g Other expenses	**8g**	0	
h Total expenses (add lines 8d, 8e, 8f, and 8g)	**8h**		1623629
i Net income (loss) (subtract line 8h from line 8c)	**8i**		-1579439
j Transfers to (from) the plan (see instructions)	**8j**		

Part IV Plan Characteristics

9a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1A 1G 3H 1I

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

Part V Compliance Questions

10 During the plan year:		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? (See instructions and DOL's Voluntary Fiduciary Correction Program)	**10a**		X	
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)	**10b**		X	
c Was the plan covered by a fidelity bond?	**10c**	X		5000000
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	**10d**		X	
e Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service or other organization that provides some or all of the benefits under the plan? (See instructions.)	**10e**		X	
f Has the plan failed to provide any benefit when due under the plan?	**10f**		X	
g Did the plan have any participant loans? (If "Yes," enter amount as of year end.)	**10g**		X	
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	**10h**		X	
i If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	**10i**			

Part VI Pension Funding Compliance

11 Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500)) X Yes ☐ No

12 Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? ☐ Yes X No

(If "Yes," complete 12a or 12b, 12c, 12d, and 12e below, as applicable.)

a 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 letter ruling granting the waiver. Month _____ Day _____ Year _____

If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.

b Enter the minimum required contribution for this plan year	**12b**	
c Enter the amount contributed by the employer to the plan for this plan year	**12c**	
d Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount)	**12d**	

e Will the minimum funding amount reported on line 12d be met by the funding deadline? ☐ Yes ☐ No ☐ N/A

Part VII Plan Terminations and Transfers of Assets

13a Has a resolution to terminate the plan been adopted in any plan year? X Yes ☐ No

If "Yes," enter the amount of any plan assets that reverted to the employer this year **13a** 0

b Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? ☐ Yes X No

c 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.)

13c(1) Name of plan(s):	**13c(2)** EIN(s)	**13c(3)** PN(s)

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, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, 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.	10/15/2012	WILLIAM MONDE JR.
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2012	WILLIAM MONDE JR.
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department 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

2011

This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

▶ **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
ALABAMA RIVER PULP COMPANY, INC. PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
ALABAMA RIVER PULP COMPANY, INC. C/O PARSONS & WHITTEMORE, INC.

D Employer Identification Number (EIN)
13-2854191

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2011

2 Assets:

a	Market value	**2a**	5614454
b	Actuarial value	**2b**	5614454

3 Funding target/participant count breakdown:

			(1) Number of participants	**(2)** Funding Target
a	For retired participants and beneficiaries receiving payment	**3a**	31	3771638
b	For terminated vested participants	**3b**	56	1576942
c	For active participants:			
	(1) Non-vested benefits	**3c(1)**		0
	(2) Vested benefits	**3c(2)**		685122
	(3) Total active	**3c(3)**	12	685122
d	Total	**3d**	99	6033702

4 If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]

a	Funding target disregarding prescribed at-risk assumptions	**4a**	
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	**4b**	

5	Effective interest rate	**5**	6.00 %
6	Target normal cost	**6**	58155

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

10/09/2012
Signature of actuary — Date

JAMES BERBERIAN
Type or print name of actuary

11-05074
Most recent enrollment number

MERCER
Firm name

404-442-3100
Telephone number (including area code)

3560 LENOX ROAD
SUITE 2400
ATLANTA, GA 30326
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 [ ]

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 (line 13 from prior year)	3897144	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	72107	0
9	Amount remaining (line 7 minus line 8)	3825037	0
10	Interest on line 9 using prior year's actual return of 9.00%	344254	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38 from prior year)		1347276
b	Interest on (a) using prior year's effective rate of 6.67 % except as otherwise provided (see instructions)		91537
c	Total available at beginning of current plan year to add to prefunding balance		1438813
d	Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	4060045	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	109246	0

Part III Funding percentages

14	Funding target attainment percentage	14	91.24 %
15	Adjusted funding target attainment percentage	15	91.24 %
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	108.65 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/11/2011	17959				
07/15/2011	17959				
			Totals ► 18(b)	35918	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 contributions 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	35072

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] 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

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
3.37%	6.04%	6.49 %	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	2
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 contributions for all prior years	**28**	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	**29**	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	**30**	0

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6)	**31a**	58155
b Excess assets, if applicable, but not greater than 31a	**31b**	

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	528494	86163
b Waiver amortization installment		

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**	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	144318

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	109246		109246

36 Additional cash requirement (line 34 minus line 35)	**36**	35072
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	35072

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36)	**38a**	0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment	**42**	
43 Excess installment acceleration amount to be carried over to future plan years	**43**	

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department 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

2011

This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

▶ **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

Alabama River Pulp Company, Inc. Pension Plan

B Three-digit plan number (PN) ▶ 002

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

Alabama River Pulp Company, Inc.

D Employer Identification Number (EIN)

13-2854191

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 1 Day 1 Year 2011

2	Assets:			
	a Market value		**2a**	5,614,454
	b Actuarial value		**2b**	5,614,454
3	Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
	a For retired participants and beneficiaries receiving payment	**3a**	31	3,771,638
	b For terminated vested participants	**3b**	56	1,576,942
	c For active participants:			
	(1) Non-vested benefits	**3c(1)**		0
	(2) Vested benefits	**3c(2)**		685,122
	(3) Total active	**3c(3)**	12	685,122
	d Total	**3d**	99	6,033,702
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]			
	a Funding target disregarding prescribed at-risk assumptions		**4a**	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor		**4b**	
5	Effective interest rate		**5**	6.00 %
6	Target normal cost		**6**	58,155

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 James Berberian

Signature of actuary

10/9/2012

Date

JAMES BERBERIAN

Type or print name of actuary

11-05074

Most recent enrollment number

MERCER

Firm name

(404) 442-3100

Telephone number (including area code)

3560 LENOX ROAD
SUITE 2400
ATLANTA GA 30326

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 [ ]

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 (line 13 from prior year)	3,897,144	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	72,107	0
9	Amount remaining (line 7 minus line 8)	3,825,037	0
10	Interest on line 9 using prior year's actual return of 9.00%	344,254	
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38 from prior year)		1,347,276
	b Interest on (a) using prior year's effective rate of 6.67% except as otherwise provided (see instructions)		91,537
	c Total available at beginning of current plan year to add to prefunding balance		1,438,813
	d Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	4,060,045	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	109,246	0

Part III Funding percentages

14	Funding target attainment percentage	14	91.24 %
15	Adjusted funding target attainment percentage	15	91.24 %
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	108.65 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/11/2011	17,959				
07/15/2011	17,959				
			Totals • 18(b)	35,918	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 contributions 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	35,072

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] 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

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	☐ N/A, full yield curve used
3.37 %	6.04 %	6.49 %	

b Applicable month (enter code)	**21b**	2
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 contributions for all prior years	**28**	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	**29**	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	**30**	0

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	**31a**		58,155
b Excess assets, if applicable, but not greater than 31a	**31b**		
32 Amortization installments:		Outstanding Balance	Installment
a Net shortfall amortization installment		528,494	86,163
b Waiver amortization installment			
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**		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**		144,318

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	109,246		109,246

36 Additional cash requirement (line 34 minus line 35)	**36**	35,072
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	35,072
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	**38a**	0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment	**42**	
43 Excess installment acceleration amount to be carried over to future plan years	**43**	

Schedule SB, Line 22 — Description of Weighted Average Retirement Age

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 63.

(A) Retirement age	(B) Retirement Percent	(C) Lx	(D) Number of employees expected to retire (B) x (C)	(E) (A) x (D)
55	0.50%	10,000	50.00	2,750.00
56	0.50%	9,950	49.75	2,786.00
57	0.50%	9,900	49.50	2,821.57
58	0.50%	9,851	49.25	2,856.72
59	0.50%	9,801	49.01	2,891.44
60	6.25%	9,752	609.53	36,571.83
61	21.05%	9,143	1,924.59	117,400.14
62	12.50%	7,218	902.30	55,942.33
63	16.66%	6,316	1,052.26	66,292.20
64	22.22%	5,264	1,169.62	74,855.62
65	100.00%	4,094	4,094.19	266,122.54
Total			10,000.00	631,290.38
Average				63.13

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Actuarial assumptions

Discount rate sponsor elections	
▪ Segment rates or full yield curve	Segment rates
▪ Look-back months	2
▪ 1st 5 years	3.37%
▪ Next 15 years	6.04%
▪ Over 20 years	6.49%
Mortality sponsor elections	
▪ Healthy and disabled participants	Section 430(h)(3) prescribed separate static annuitant and nonannuitant mortality tables. These tables are based on the RP-2000 mortality tables projected with mortality improvement to the valuation year plus 7 and 15 years based on Scale AA.
417(e) lump sums	Liabilities are determined based on the underlying annuity used by the plan to determine the lump sum amount, rather than valuing the lump sum payment. This annuity is valued based on funding interest rates rather than 417(e) rates and current year 417(e) unisex mortality.
Non-417(e) lump sums	
▪ Mortality table	Not applicable
▪ Interest rate	Not applicable
Other economic assumptions	
▪ Salary increases	Not applicable
▪ Flat-dollar benefit increases	Not applicable
▪ Social Security wage base	Not applicable
▪ Inflation	Not applicable
▪ Expected investment return	Not applicable
▪ Expenses	$58,155 added to current year normal cost.
Demographic assumptions	
Withdrawal	See table of sample rates.
Disability incidence	See table of sample rates.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Retirement age

Rates based on the Plan's prior retirement experience. See rates below:

Attained age	Percentage
55	0.50%
56	0.50
57	0.50
58	0.50
59	0.50
60	6.25
61	21.05
62	12.50
63	16.66
64	22.22
65 and above	100.00

Benefit commencement age for

- Future vested deferred: Age 55 (or current age if later)
- Current vested deferred: Age 65

Spouse assumptions	**Male participants**	**Female participants**
▪ Percentage married	85%	65%
▪ Spouse age difference	3 years younger	3 years older

Form of payment	**Lump sum**	**Single life**	**J&S**
▪ Active retirements	100%	0%	0%
▪ Future vested deferred	100%	0%	0%
▪ Future disabilities	100%	0%	0%
▪ Future deaths	100%	0%	0%
▪ Current vested deferred	0%	100%	0%

Unpredictable contingent event assumptions: Not applicable

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Table of sample rates

	Percentage	
Attained Age	**Withdrawal**	**Disability**
20	0.50%	0.07%
25	0.50	0.08
30	0.50	0.08
35	0.50	0.10
40	0.50	0.12
45	0.50	0.16
50	0.50	0.24
55	0.00	0.40
60	0.00	0.84

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Actuarial methods

Asset methods

The asset valuation method is the fair market value. The market value is the amount reported in the year-end trustee statement plus discounted receivable contributions.

Participant methods

Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** The plan sponsor provides us with data on all employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Insurance contracts:** The plan does not have any insurance contracts.

Minimum funding methods

The funding target for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- The plan's valuation date is the beginning of the plan year.
- An individual's **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target normal cost for an individual is the sum of the component funding targets and target normal costs associated with the various anticipated separation dates.
- The plan's **target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan.

Maximum deductible contribution method

Calculations of maximum deductible contributions include the excess of the funding target computed using the projected unit credit method over the minimum funding target. The objective of the projected unit credit method is to fund each participant's benefits

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

under the plan as they accrue, taking into consideration expected future compensation increases. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- An individual's **projected funding target** is the present value of benefits based on credited service as of the beginning of the plan year and projected compensation that would be used in the calculation of the benefit on each expected separation date. If multiple decrements are used, the projected funding target for an individual is the sum of the component projected funding targets associated with the various anticipated separation dates.
- The plan's **projected funding target** is the sum of the projected funding targets for all participants under the plan. The excess of the plan's projected funding target over the plan's funding target is included in the "cushion amount."

Schedule SB, Part V — Summary of Plan Provisions

Benefits included or excluded

Unless noted below, all benefits provided by the plan, as restated and amended through December 21, 2009, are included in this valuation.

- **Most recent plan amendments included:** December 21, 2009
- **Plan amendments excluded:** Amendment #3, which terminates the plan, is excluded because it was adopted after the valuation date.
- **IRC Section 436 benefit restrictions:**
  - *Unpredictable contingent event benefits:* None
  - *Plan amendments:* See above.
  - *Prohibited payments:* Limitations on prohibited benefits (if any) are reflected for annuity starting dates before the valuation date but are ignored for annuity starting dates on or after the valuation date.
  - *Benefit accruals:* The plan's funding target does not reflect any limitation on benefit accruals. The target normal cost does not reflect any limitation on benefit accruals.
- **Late retirement increases:**
  - *Active participants:* Actuarial adjustment to the normal retirement benefit.
  - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued including the late retirement actuarial increase.
- **Unpredictable contingent event benefits:** The plan does not have any unpredictable contingent event benefits.
- **IRC Section 415(b) benefit limitations:** The limitations of Internal Revenue Code Section 415(b) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60 percent of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.

Schedule SB, Part V — Summary of Plan Provisions

Summary of major plan provisions

Effective date and plan year	Original plan: April 1, 1979 Restated plan: April 1, 1984; April 1, 1989; December 1, 1992; December 12, 1994; January 1, 2002 Plan year: Effective January 1, 1993, the plan year was changed to calendar year.
Status of the plan	Plan was frozen as of February 5, 1998 and no participant can either enter or accrue service after February 5, 1998.
Significant events that occurred during the year	The Alabama River Pulp mills in Monroeville, AL were sold to Georgia Pacific, resulting in the majority of the active population taking lump sum cashouts.
Definitions	
▪ Participation	An Employee becomes a participant in the Plan on the January 1 or July 1 as of which he has completed a year of Participation Service, but preceding February, 1998.
▪ Employee contributions	None are required or permitted
▪ Vesting service	Vesting Service is the period of employment used in determining eligibility for benefits, measured by elapsed time from date of hire.
▪ Credited service	Benefit Service is the period of employment used in determining the amount of pension benefits, measured by elapsed time from date of hire through February 5, 1998.
▪ Pensionable earnings	Total salary and wages paid to a participant, excluding overtime, bonuses and certain extraordinary or special payments.
▪ Final average earnings	Average Monthly Compensation is obtained by taking 1/60 of the total Compensation of a participant during the 60 consecutive months within the last ten calendar years of service prior to February 1998 during which compensation was highest.
▪ Accrued benefit	The benefit determined under the Plan expressed as a monthly benefit payable at Normal Retirement Date which an employee has accrued at any given time, as if he terminated employment at that time. No additional benefits accrue after February 5, 1998.

Schedule SB, Part V — Summary of Plan Provisions

Normal retirement	
▪ Eligibility	Normal retirement date is the first day of the month coincident with or following the participant's 65th birthday.
▪ Benefit	The monthly pension is an amount equal to one percent of Average Monthly Compensation, multiplied by years of Benefit Service. Effective February 5, 1998, the plan was amended to freeze benefit accruals.
Early retirement	
▪ Eligibility	A Participant becomes eligible upon attainment of age 55 and completion of five years of Vesting Service.
▪ Benefit	The amount of early retirement pension deferred to normal retirement date is determined as for the Normal Retirement Benefit. Payment of an early retirement pension prior to a participant's normal retirement date is subject to a reduction of 1/15 for each of the first five years and 1/30 for each of the next five years that the date of benefit commencement precedes normal retirement date.
Late retirement	
▪ Benefit	Computed as the greater of (1) the normal retirement formula considering service and compensation as of actual retirement date, and (2) the normal retirement formula considering service and compensation at normal retirement date and increased actuarially to actual date of retirement.
Deferred vested	
▪ Eligibility	A Participant becomes eligible after completion of five years of Vesting Service. The amount of the pension is determined as for the Normal Retirement Benefit and is payable at normal retirement date.
▪ Benefit	A benefit may be paid after attaining age 55, reduced as for early retirement. A married vested participant who dies shall be eligible for a death benefit. The amount of the death benefit shall be the monthly pension due to the spouse had the joint and 50% survivor option been elected immediately before the death of the participant.

Schedule SB, Part V — Summary of Plan Provisions

Disability	
▪ Eligibility	A Participant who terminates employment because of total and permanent disablement acknowledged by the Committee is eligible for a disability pension. The amount of the disability pension is determined as for the Normal Retirement Benefit.
▪ Benefit	Payment of a disability pension prior to a participant's normal retirement date is subject to a reduction of 1/15 for each of the first five years, 1/30 for each of the next five years, and an actuarial reduction for each additional year that the date of benefit commencement precedes normal retirement date.
Pre-retirement death	
▪ Eligibility	Payable to the spouse of a deceased vested participant who was credited with five years of Vesting Service and had not reached his normal retirement date.
▪ Benefit prior to early retirement	The amount of death benefit, payable as a life annuity, is 50% of the amount which would have been payable had the participant terminated on his date of death and began receiving a reduced early retirement benefit payable in the 50% joint and survivor form which is actuarially equivalent to such benefit payable in a single life annuity form.
▪ Benefit after early but before normal retirement	Same as In-Service or Post-Termination Death Benefit.
▪ Benefit after normal retirement	Same as In-Service or Post-Termination Death Benefit.
Unpredictable contingent event benefits	None

Schedule SB, Part V — Summary of Plan Provisions

Form of benefits	
▪ Automatic form for unmarried participants	Normal form of benefit payment is a monthly life annuity.
▪ Automatic form for married participants	Unless he elects otherwise, a participant with an eligible spouse surviving on the date of his retirement receives his pension in the form of a 50% joint and survivor annuity which is actuarially equivalent to the normal form.
▪ Optional forms	Other forms are available on actuarial equivalent basis: ▪ 100% or 75% joint & survivor pension ▪ 5 years certain and life ▪ 10 years certain and life Lump sum — including the value of early retirement benefits
▪ Optional form conversion factors	Applicable interest and mortality rates under IRC Section 417(e). Pre-2004 annuity basis: Mortality Table – UP-1984 Mortality Table Interest Rate – 7%
Miscellaneous	
▪ Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins.
▪ Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415.
▪ Funding medium	Trust
▪ Administration	The plan is administered by Alabama River Pulp Company, Inc. The company shall appoint a committee consisting of at least three persons to assist the company in its administration of the plan.

Plan provision changes since prior valuation

None.

Schedule SB, Line 26 — Schedule of Active Participant Data

Distribution of active participants as of January 1, 2011

Years of credited service											
Attained age	**Under 1**	**1-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35-39**	**40 & Up**	**Total**
Under 25											0
25 - 29											0
30 - 34											0
35 - 39											0
40 - 44		1									1
45 - 49			2								2
50 - 54			3								3
55 - 59			2								2
60 - 64			1			1					2
65 - 69			1		1						2
70 & up											0
Total	0	1	9	0	1	1	0	0	0	0	12

In each cell, the number is the count of active participants for each age/service combination.

Schedule SB, Line 8 – Late Election to Apply Balances to Quarterly Installments

Elections to apply credit balance to minimum funding requirements for 2010 were late as shown below, resulting in a difference between the entry for Line 35 on last year's Schedule SB and this Line 8 for 2011. The sponsor elected by February 15, 2011 to apply sufficient credit balance to meet both the quarterly contribution requirements and the remaining minimum required contribution for plan year 2010.

Date	Quarterly Requirement	Election
04/13/2010	$ 16,163	$ 16,722
07/07/2010	16,163	16,722
10/15/2010	16,163	-
01/06/2011	16,163	16,163
02/15/2011	-	22,500
Total	$ 64,652	$ 72,107

Schedule SB, Line 32 — Schedule of Amortization Bases

The total shortfall amortization charge is the sum of the individual shortfall amortization installment for each plan year covered under PPA. Although an individual shortfall amortization can be negative, the combined shortfall amortization charge cannot be less than $0.

Shortfall bases

Year established	Outstanding balance	Years remaining	2011 Installment
2011	$ 528,494	7	$ 86,163
Total	528,494		86,163