

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.2em; font-weight: bold;">2013</div> <div style="text-align: center; font-weight: bold;">This Form is Open to Public Inspection</div>
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Part I	Annual Report Identification Information
For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☒ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information—enter all requested information		
1a Name of plan LONGVIEW FIBRE PAPER & PACKAGING INC. SALARIED 401(K) PLAN	1b Three-digit plan number (PN) ▶	007	
	1c Effective date of plan 06/01/1977		
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) LONGVIEW FIBRE PAPER & PACKAGING INC. P.O. BOX 639 LONGVIEW, WA 98632-7411	2b Employer Identification Number (EIN) 20-3674771	2c Sponsor's telephone number 360-425-1550	2d Business code (see instructions) 322100

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/08/2014	JEFF HUCKESTEIN PENSION COMMITTEE
	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
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☒ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 943
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).	
a Active participants	6a 667
b Retired or separated participants receiving benefits	6b 24
c Other retired or separated participants entitled to future benefits.....	6c 262
d Subtotal. Add lines 6a , 6b , and 6c	6d 953
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	6e 8
f Total. Add lines 6d and 6e	6f 961
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g 941
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 2S 2T	
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☐ 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) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2013
		This Form is Open to Public Inspection.

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013	
A Name of plan LONGVIEW FIBRE PAPER & PACKAGING INC. SALARIED 401(K) PLAN	B Three-digit plan number (PN) ▶ 007
C Plan sponsor's name as shown on line 2a of Form 5500 LONGVIEW FIBRE PAPER & PACKAGING INC.	D Employer Identification Number (EIN) 20-3674771

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

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

VANGUARD FIDUCIARY TRUST COMPANY

23-2186884

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 16 26 37 38 59	TRUSTEE/RECORD KEEPER	30144	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

GRANT THORNTON LLP

36-6055558

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	AUDITOR	18277	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

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)

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
VANGUARD FIDUCIARY TRUST COMPANY	26	0

(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.
LAZARD FUNDS, INC. 13-3777414	10 BASE POINTS PAID OUTSIDE THE EXPENSE RATIO

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
VANGUARD FIDUCIARY TRUST COMPANY	26	0

(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.
COLUMBIA FUNDS MANAGEMENT CO. 41-1861053	25 BASE POINTS PAID OUTSIDE THE EXPENSE RATIO

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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
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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

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</u>		
A Name of plan <u>LONGVIEW FIBRE PAPER & PACKAGING INC. SALARIED 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<u>007</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>LONGVIEW FIBRE PAPER & PACKAGING INC.</u>	D Employer Identification Number (EIN) <u>20-3674771</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
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	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions.....	1b(1)	0	0
	(2) Participant contributions.....	1b(2)	135826	159636
	(3) Other.....	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
	(2) U.S. Government securities	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other.....	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common.....	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property).....	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans.....	1c(8)	1173953	1112057
	(9) Value of interest in common/collective trusts	1c(9)	14415472	12911109
	(10) Value of interest in pooled separate accounts	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)		
	(12) Value of interest in 103-12 investment entities.....	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	56960599	69977801
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
	(15) Other.....	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	72685850	84160603

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	72685850	84160603
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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: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)	3955145	
(C) Others (including rollovers)	2a(1)(C)	674303	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		4629448

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

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	1819456	
(F) Other	2b(1)(F)	37456	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		1856912

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

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		10179840
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		16666200

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	5759250	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		5759250
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	46201	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		46201
j Total expenses. Add all expense amounts in column (b) and enter total	2j		5805451

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		10860749
l Transfers of assets:			
(1) To this plan	2l(1)		614004
(2) From this plan	2l(2)		

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: GRANT THORNTON LLP

(2) EIN: 36-6055558

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 lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

- a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)
- 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.)

	Yes	No	Amount
4a		X	
4b		X	

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

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)
LONGVIEW FIBRE PAPER AND PACKAGING, INC. UNION HOURLY PLAN UNION HOURLY PLAN	20-3674771	009

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☐ Yes ☐ No ☐ Not determined

Part V Trust Information (optional)

6a Name of trust	6b Trust's EIN

Financial Statements and Report of Independent
Certified Public Accountants

Longview Fibre Paper and Packaging, Inc.
Salaried 401(k) Plan

December 31, 2013 and 2012

Contents

	Page
Report of Independent Certified Public Accountants	3
Financial Statements	
Statements of Net Assets Available for Benefits	5
Statement of Changes in Net Assets Available for Benefits	6
Notes to Financial Statements	7
Supplemental Schedules	
Form 5500 Schedule H, Line 4i – Schedule of Assets (Held at End of Year)	18
Form 5500 Schedule H, Line 4j – Schedule of Reportable Transactions	19



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Participants and Administrator of
Longview Fibre Paper and Packaging, Inc. Salaried 401(k) Plan

Grant Thornton LLP
111 SW Columbia, Suite 800
Portland, OR 97201-5813
T 503.222.3562
F 503.295.0148
www.GrantThornton.com

Report on the financial statements

We were engaged to audit the accompanying financial statements of Longview Fibre Paper and Packaging, Inc. Salaried 401(k) Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2013 and 2012, and the related statement of changes in net assets available for benefits for the year ended December 31, 2013, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for disclaimer of opinion

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 certified information described in Note 5, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan administrator that the certifying entity meets the requirements of 29 CFR 2520.103-8. The Plan administrator obtained a certification from this entity as of December 31, 2013 and 2012, and for the year ended December 31, 2013, stating that the certified information provided to the Plan administrator is complete and accurate.



Disclaimer of opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Supplementary information

The supplemental schedules of Assets (Held at End of Year) as of December 31, 2013 and Reportable Transactions for the year ended December 31, 2013 are presented for purposes of additional analysis and are not a required part of the financial statements, but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedules.

Report on form and content in compliance with DOL rules and regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the certified information described in Note 5, 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.

A handwritten signature in black ink that reads "Grant Thornton LLP".

Portland, Oregon
September 30, 2014

Longview Fibre Paper and Packaging, Inc.
Salaried 401(k) Plan

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31,

	<u>2013</u>	<u>2012</u>
ASSETS		
Investments, at fair value (Notes 2, 3, 4, and 8)		
Mutual funds	\$ 69,977,801	\$ 56,960,599
Common and collective trust	<u>13,270,916</u>	<u>15,179,653</u>
Total investments	83,248,717	72,140,252
Receivables		
Participants' contributions	159,636	135,826
Notes receivable from participants	<u>1,112,057</u>	<u>1,173,953</u>
Total receivables	<u>1,271,693</u>	<u>1,309,779</u>
Net assets reflecting investments at fair value	84,520,410	73,450,031
Adjustment from fair value to contract value for interest in collective trust relating to fully-benefit responsive investment contracts	<u>(359,807)</u>	<u>(764,181)</u>
Net assets available for benefits	<u><u>\$ 84,160,603</u></u>	<u><u>\$ 72,685,850</u></u>

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

Longview Fibre Paper and Packaging, Inc.
Salaried 401(k) Plan

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the year ended December 31, 2013

Additions:

Additions to net assets attributed to:

Investment income:

Net appreciation in fair value of investments (Note 4)	\$ 10,179,840
Dividends and interest	1,819,456
Net investment income	<u>11,999,296</u>

Interest income on notes receivable from participants	37,456
---	--------

Contributions:

Participant	3,955,145
Rollovers	664,825
Net transfers into Plan (Note 1)	614,004
Other	9,478
Total contributions	<u>5,243,452</u>

Total additions	<u>17,280,204</u>
-----------------	-------------------

Deductions:

Deductions from net assets attributed to:

Benefits paid to participants	5,759,250
Administrative expenses and other deductions (Notes 1,6)	46,201
Total deductions from net assets	<u>5,805,451</u>

Increase in net assets	<u>11,474,753</u>
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Net assets available for benefits:

Beginning of year	<u>72,685,850</u>
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End of year	<u><u>\$ 84,160,603</u></u>
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The accompanying notes are an integral part of these financial statements.

Longview Fibre Paper and Packaging, Inc.
Salaried 401(k) Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

Note 1 – Plan Description

The following description of the Longview Fibre Paper and Packaging, Inc. Salaried 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

In 2013, Longview Fibre Paper and Packaging, Inc. was acquired by Kapstone Paper and Packaging Corporation (the "Company"). The name of the Plan was retained. The Plan is a defined contribution plan covering all eligible salaried and non-union hourly employees of the Company. Each eligible employee shall become a participant by completing a contribution agreement. If such an agreement is received and processed prior to the date automatic enrollment would otherwise be effective, the employee shall become a participant on the first day of the first payroll period that begins after the date the agreement is received and processed. If an eligible employee does not complete a contribution agreement, or opt out, he or she shall become a participant on the first date of the first payroll period that begins on or after the date that is thirty days after the individual became an eligible employee. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended.

Investment of Plan Assets

Upon enrollment in the Plan, a participant may direct contributions in whole percentage increments into the following funds:

- **American Funds Euro Pacific Growth Fund; R-4 Shares** seeks long-term growth of capital by investing in equity securities of companies in Europe and the Pacific Basin.
- **American Funds Growth Fund of America; R-4 Class** seeks capital growth by investing primarily in common stocks and seeks to invest in companies that appear to offer superior opportunities for growth of capital. It may also hold cash or money market instruments.
- **Columbia Real Estate Equity Fund Class Z** seeks a high level of dividend income and long-term growth of capital by investing in equity securities of companies in the real estate industry.
- **Janus Small Cap Value Fund Institutional Shares** seeks long-term growth of capital by investing in the stocks of small companies whose stock is considered undervalued in the marketplace relative to their assets, earnings, cash flow, or business franchise.
- **Lazard Emerging Markets; Open Shares** seeks long-term capital appreciation by investing primarily in equity securities of companies in countries with emerging markets.
- **PIMCO Total Return Fund; Administrative Class** seeks maximum total return, consistent with preservation of capital, by investing in a diversified portfolio of Fixed-Income Instruments of varying maturities, which may be represented by forwards or derivatives such as options, futures contracts, or swap agreements.
- **PIMCO Real Return Fund; Administrative Class** aims to help investors protect their purchasing power against the effects of inflation by seeking real (inflation-adjusted) returns primarily from Treasury Inflation-Protected Securities

Longview Fibre Paper and Packaging, Inc.
Salaried 401(k) Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

Note 1 – Plan Description (continued)

- **Rainier: Small/Mid Cap Equity Portfolio** seeks to provide maximum long-term capital appreciation by investing in the common stock of small- and mid-capitalization companies traded in the U.S. with prospects of strong earnings growth and attractive overall business fundamentals, selling at reasonable valuations.
- **Vanguard 500 Index Fund Investor Shares** seeks to provide long-term growth of capital and income from dividends by holding all of the 500 stocks that make up the unmanaged Standard & Poor's 500 Index.
- **Vanguard Balanced Index Fund Investor Shares** seeks to provide income and long-term growth of capital and income by dividing its assets between indexed portfolios of stocks (60%) and bonds (40%).
- **Vanguard Extended Market Index Fund Investor Shares** seeks to provide long-term growth of capital by attempting to match the performance of the Standard & Poor's Completion Index, a broadly diversified index of stocks of small and medium-size U.S. companies.
- **Vanguard Global Equity Fund** seeks to provide long-term capital appreciation by investing primarily in U.S. and foreign stocks chosen mostly on the basis of bottom-up stock analysis. The fund typically invests across a wide range of industries, and its holdings are expected to represent a mix of value and growth stocks, as well as a mix of established and emerging stock markets.
- **Vanguard Prime Money Market Fund** invests in high-quality, short-term money market instruments, including certificates of deposit, bankers acceptances, commercial paper, and other money market securities.
- **Vanguard Target Retirement Funds** (Vanguard Target Retirement 2010 Fund, Vanguard Target Retirement 2015 Fund, Vanguard Target Retirement 2020 Fund, Vanguard Target Retirement 2025 Fund, Vanguard Target Retirement 2030 Fund, Vanguard Target Retirement 2035 Fund, Vanguard Target Retirement 2040 Fund, Vanguard Target Retirement 2045 Fund, Vanguard Target Retirement 2050 Fund, Vanguard Target Retirement 2055 Fund, Vanguard Target Retirement 2060 Fund, Vanguard Target Retirement Income) consist of twelve separate funds that include a portfolio of stocks, bonds and money market funds using an asset weighting that is appropriate for the targeted time horizon. As the years progress, the funds' allocations to the underlying investments will shift toward a more conservative stance.
- **Vanguard Total Bond Market Index Fund Investor Shares** seeks to track the performance of a broad, market weighted bond index.
- **Vanguard Total International Stock Index Fund** offers investors a low cost way to gain equity exposure to both developed and emerging international economies. The fund tracks stock markets all over the globe, with the exception of the United States. Because it invests in non-U.S. stocks, including those in developed and emerging markets, the fund can be more volatile than a domestic fund.

Longview Fibre Paper and Packaging, Inc.
Salaried 401(k) Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

Note 1 – Plan Description (continued)

- **Vanguard Windsor II Fund Investor Shares** seeks to provide long-term growth of capital and income from dividends by investing in a diversified group of out-of-favor stocks of large-capitalization companies. The stocks generally sell at prices below the overall market average compared to their dividend income and future return potential.
- **Vanguard Retirement Savings Trust** seeks to provide a high level of income and a stable unit value of \$1 in most cases by investing primarily in investment contracts issued by insurance companies, banks or other financial institutions, including investment contracts backed by high-quality fixed income securities. Participant directed redemptions have no restrictions.

Contributions

Each year, participants may contribute up to 100 percent of their eligible compensation as contributions, as defined by the Plan. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. Unless directed otherwise, contributions are invested by default in the Vanguard Target Retirement Fund for the year nearest the year in which the participant will attain age 65. Contributions are subject to limitations established in the Internal Revenue Code ("IRC") Section 415(c). Additionally, the Tax Reform Act of 1986 limits annual amounts deferred by participants under all deferral arrangements to \$17,500 for taxable year 2013.

No Company matching contributions shall be made to this Plan with respect to participant contributions made on pay dates on or after January 1, 2009 unless the Plan is otherwise amended. Matching contributions made on pay dates prior to January 1, 2009, are held in the participant's matching contribution account.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of any applicable fund earnings or losses. Allocations are based on participant earnings on account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

During the year, various employees transferred from hourly to salary jobs, or salary to hourly jobs, as part of the normal course of business. Under terms of the Company's plans, when an employee moves from one plan to another, their plan assets are transferred between Plans. All terms such as vesting, contributions and loans continue from their original date. The net transfers to this Plan from other Company sponsored plans totaled \$614,004 for the year ended December 31, 2013.

Longview Fibre Paper and Packaging, Inc.
Salaried 401(k) Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

Note 1 – Plan Description (continued)

Vesting

Participants are immediately and fully vested in their pre-tax and after-tax contributions, including earnings thereon.

The Company's matching contributions become vested as follows:

Years of Service

Fewer than 3	0%
3 or more	100%

In addition, the Plan provides for full vesting of the Company's contributions, including earnings thereon, upon retirement, death or permanent and total disability. Normal retirement age is 65.

If a participant who is not fully vested terminates employment and returns to service after a break of five years or more, the value of the Company's unvested contributions credited to the participant's account prior to termination of employment is permanently forfeited. If a participant terminates employment but returns to service after a break in service of less than five years, the current value of the Company's unvested contributions credited to the participant's account prior to termination of service is credited to the participant's account upon the participant's return to service.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to \$50,000 or 50 percent of their vested account balance, whichever is less. The loans are secured by the balance in the participant's account and bear interest at rates that range from 3.25 percent to 9.50 percent, which are commensurate with the prime rate as announced the last business day of each calendar quarter. Principal and interest are paid ratably through payroll deductions.

Payment of Benefits

If a participant's account balance exceeds \$5,000 upon termination, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account or quarterly installments over a period not to exceed the life expectancy of the participant and his beneficiary. If upon termination, a participant's account balance does not exceed \$5,000, the balance may only be distributed in the form of a single lump-sum distribution. A lump-sum withdrawal may also be made upon attainment of age 59-1/2 or in the event of hardship. Withdrawal requests for financial hardship are limited to the amount of a participant's fully vested account balance.

Forfeited Accounts

As of December 31, 2013 and 2012, the Plan had amounts totaling \$4,089 and \$35,808, respectively, representing forfeited, non-vested amounts resulting from employee terminations. These amounts were allocated back into the Plan subsequent to employee termination, and will be used to restore accounts of rehired former participants, pay Plan fees and expenses, or to reduce future matching contributions.

Longview Fibre Paper and Packaging, Inc.
Salaried 401(k) Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

Note 2 – Summary of Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan.

The Statement of Net Assets Available for Benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared using the contract value basis for fully benefit-responsive investment contracts.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Except for the Vanguard Retirement Savings Trust, the Plan's investments and changes in net assets are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Quoted market prices are used to value investments. Shares of mutual funds are valued at the net asset value of shares held by the Plan at year-end. The net appreciation in the fair value of investments consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments held by the Plan. See Note 8 for further discussion of fair value measurements.

Investments in the Vanguard Retirement Savings Trust ("Trust"), which primarily holds investments in fully benefit-responsive investment contracts, provide that the Plan may make withdrawals at contract value for benefit responsive requirements. The Plan's interest in the Trust is valued at net asset value, which is a derived price in an active market as determined by the fund trustee based on the contractual terms of the underlying contracts at December 31 of the appropriate plan year. The Trust's contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may direct the withdrawal or transfer all or a portion of their investment at contract value.

Longview Fibre Paper and Packaging, Inc.
Salaried 401(k) Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

Note 2 – Summary of Accounting Policies (continued)

The Statement of Net Assets Available for Benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded on the accrual basis. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits

Benefits are recorded when paid.

Fees and Expenses

The Plan provides that the Company will pay administrative costs and expenses of the Plan, including trustee and management fees. Such costs not paid by the Company are paid from the Plan's assets. Fees for participant loans are paid by the participants receiving the loans.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2013 or 2012. Delinquent loans are reclassified as distributions based upon the terms of the Plan document.

Note 3 – Risks and Uncertainties

The Plan provides investment options in various combinations of investment securities. Investment securities are exposed to various risks including, but not limited to, interest rates, market conditions, and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the financial statements.

Longview Fibre Paper and Packaging, Inc.
Salaried 401(k) Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

Note 4 – Investments

The following presents investments that represent 5 percent or more of the Plan's net assets:

	2013	2012
Vanguard 500 Index Fund Investor Shares	\$ 15,565,793	\$ 11,707,608
Vanguard Retirement Savings Trust*	12,911,109	14,415,472
Vanguard Balanced Index Fund Investor Shares	10,926,046	9,402,793
Vanguard Target Retirement 2015 Fund	6,186,817	5,096,465
Vanguard Target Retirement 2025 Fund	5,475,545	4,335,857

(*) The Plan's investment in the Vanguard Retirement Savings Trust is reported above at contract value. The fair value of the Plan's investment in the Vanguard Retirement Savings Trust was \$13,270,916 and \$15,179,653 at December 31, 2013 and 2012, respectively.

During the year ended December 31, 2013, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

	2013
Mutual Funds	\$ 10,179,840

Note 5 – Certified Information

The Plan Administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Accordingly, Vanguard Fiduciary Trust Company, the trustee of the Plan, has certified that the following data included in the accompanying financial statements and supplemental schedules are complete and accurate:

- Investments and notes receivable from participants, as shown in the statements of net assets available for benefits as of December 31, 2013 and 2012.
- Net investment income and interest income on notes receivable from participants, as shown in the statement of changes in net assets available for benefits for the year ended December 31, 2013.
- Schedule H, line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2013.
- Schedule H, line 4j – Schedule of Reportable Transactions for the year ended December 31, 2013.

Note 6 – Related Party Transactions and Party in Interest Transactions

Certain Plan investments are shares of mutual funds managed by Vanguard Fiduciary Trust Company (the "Trustee"), and therefore, these transactions qualify as party-in-interest transactions. Fees paid to the Trustee by the Plan were \$46,201 for the year ended December 31, 2013.

Longview Fibre Paper and Packaging, Inc.
Salaried 401(k) Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

Note 7 – Plan Termination

Although it has not expressed any intent 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. In the event of Plan termination, participants would become 100 percent vested in their employer contributions.

Note 8 – Fair Value Measurements

FASB ASC 820 provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.
Level 2	Inputs to the valuation methodology include: <ul style="list-style-type: none">• quoted prices for similar assets or liabilities in active markets;• quoted prices for identical or similar assets or liabilities in inactive markets;• inputs other than quoted prices that are observable for the asset or liability;• inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Investments classified within level 3 whose fair value measurements consider several inputs may include level 1 or level 2 inputs as components of the overall fair value measurement.

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, 2013 and 2012.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Longview Fibre Paper and Packaging, Inc.
Salaried 401(k) Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

Note 8 – Fair Value Measurements (continued)

Common and Collective Trust: Valued at the NAV of units of a collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investment held by the fund less its liabilities. This practice expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of the collective trust, the investment adviser reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

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 the Plan 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 table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2013 and 2012:

2013				
Asset	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Balanced Funds	\$ 36,261,836	\$ -	\$ -	\$ 36,261,836
Bond Funds	3,386,302	-	-	3,386,302
Domestic Stock Funds	25,373,932	-	-	25,373,932
International Stock Funds	3,955,935	-	-	3,955,935
Specialty Stock Funds	969,481	-	-	969,481
Short Term Reserve	30,315	-	-	30,315
Common and Collective Trust	-	13,270,916	-	13,270,916
Total	\$ 69,977,801	\$ 13,270,916	\$ -	\$ 83,248,717

2012				
Asset	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Balanced Funds	\$ 29,982,117	\$ -	\$ -	\$ 29,982,117
Bond Funds	3,393,263	-	-	3,393,263
Domestic Stock Funds	19,557,606	-	-	19,557,606
International Stock Funds	3,123,122	-	-	3,123,122
Specialty Stock Funds	854,155	-	-	854,155
Short Term Reserve	50,336	-	-	50,336
Common and Collective Trust	-	15,179,653	-	15,179,653
Total	\$ 56,960,599	\$ 15,179,653	\$ -	\$ 72,140,252

Longview Fibre Paper and Packaging, Inc.
Salaried 401(k) Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

Note 8 – Fair Value Measurements (continued)

The following table summarizes investments measured at fair value based on NAV per share as of December 31, 2013 and 2012, respectively.

Year	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
December 31, 2013				
Collective trust fund	\$13,270,916	None	Daily	None
December 31, 2012				
Collective trust fund	\$15,179,653	None	Daily	None

Note 9 – Tax Status

The Internal Revenue Service has determined and informed the Company by letter dated September 6, 2012 that the Plan and related trust are designed in accordance with applicable sections of the IRC. Although the Plan has been amended since receiving the determination letter, the Plan Administrator and the Plan's legal counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

Note 10 – Plan Amendments

There have been no amendments to the Plan effective for the year ending December 31, 2013.

Note 11 – Subsequent Events

During 2014, the Pension Committee approved merging of the Longview Fibre Paper and Packaging, Inc. Union Hourly 401(k) Plan, the Longview Fibre Paper and Packaging, Inc. Salaried 401(k) Plan and the KapStone Paper and Packaging Corporation 401k Plan into one plan. The merging of these plans is anticipated to occur prior to the end of 2014.

Additionally, during 2014 the Pension Committee elected to use Fidelity Investments as the record keeper and actuary for all Company benefit plans.

Subsequent events have been evaluated through September 30, 2014, the date of the independent certified public accountant report noting no additional matters that require disclosure or adjustment to the financial statements.

SUPPLEMENTAL SCHEDULES

Longview Fibre Paper and Packaging, Inc.
Salaried 401(k) Plan

Form 5500 Schedule H, Line 4i

Schedule of Assets (Held at End of Year)

As of December 31, 2013

Identity of Issue	Investment Type	Cost**	Current Value
Investments:			
American Funds Euro Pacific Growth Fund; R-4 Shares	Mutual Fund		\$ 1,308,860
American Funds Growth Fund of America; R-4 Class	Mutual Fund		2,345,307
Columbia Real Estate Equity Fund Class Z	Mutual Fund		969,481
Janus Small Cap Value Fund Institutional Shares	Mutual Fund		1,152,337
Lazard Emerging Markets; Open Shares	Mutual Fund		614,343
PIMCO Total Return Fund; Administrative Class	Mutual Fund		2,362,159
PIMCO Real Return Fund; Administrative Class	Mutual Fund		125,769
Rainier: Small/Mid Cap Equity Portfolio	Mutual Fund		1,373,061
*Vanguard 500 Index Fund Investor Shares	Mutual Fund		15,565,793
*Vanguard Balanced Index Fund Investor Shares	Mutual Fund		10,926,046
*Vanguard Extended Market Index Fund Investor Shares	Mutual Fund		2,916,470
*Vanguard Global Equity Fund	Mutual Fund		1,117,375
*Vanguard Prime Money Market Fund	Mutual Fund		30,315
*Vanguard Target Retirement 2010 Fund	Mutual Fund		834,328
*Vanguard Target Retirement 2015 Fund	Mutual Fund		6,186,817
*Vanguard Target Retirement 2020 Fund	Mutual Fund		2,879,903
*Vanguard Target Retirement 2025 Fund	Mutual Fund		5,475,545
*Vanguard Target Retirement 2030 Fund	Mutual Fund		1,614,737
*Vanguard Target Retirement 2035 Fund	Mutual Fund		2,889,175
*Vanguard Target Retirement 2040 Fund	Mutual Fund		939,562
*Vanguard Target Retirement 2045 Fund	Mutual Fund		1,044,788
*Vanguard Target Retirement 2050 Fund	Mutual Fund		422,416
*Vanguard Target Retirement 2055 Fund	Mutual Fund		72,293
*Vanguard Target Retirement 2060 Fund	Mutual Fund		4,117
*Vanguard Target Retirement Income	Mutual Fund		2,972,110
*Vanguard Total Bond Market Index Fund Investor Shares	Mutual Fund		898,374
*Vanguard Total International Stock Index Fund	Mutual Fund		915,355
*Vanguard Windsor II Fund Investor Shares	Mutual Fund		2,020,965
*Vanguard Retirement Savings Trust	Common and Collective Trust		12,911,109
			82,888,910
Participant loans			1,112,057
			<u><u>\$ 84,000,967</u></u>

* Party-in-interest

** Cost information has been omitted under ERISA regulations as these investments are participant directed.

Longview Fibre Paper and Packaging, Inc.
Salaried 401(k) Plan

Form 5500 Schedule H, Line 4j

Schedule of Reportable Transactions

For the year ended December 31, 2013

Identity of Party Involved	Identity of Asset	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Historical Gain(Loss)
Vanguard	Vanguard 500 Index Fund Investor Shares	\$ 2,165,281	\$ -	\$ -	\$ 2,165,281	\$ -
Vanguard	Vanguard 500 Index Fund Investor Shares	\$ -	\$ 1,798,337	\$ 1,402,407	\$ 1,798,337	\$ 395,930
Vanguard	Vanguard Retirement Savings Trust	\$ 2,074,532	\$ -	\$ -	\$ -	\$ -
Vanguard	Vanguard Retirement Savings Trust	\$ -	\$ 3,578,895	\$ 3,578,895	\$ 3,578,895	\$ -

Financial Statements and Report of Independent
Certified Public Accountants

Longview Fibre Paper and Packaging, Inc.
Salaried 401(k) Plan

December 31, 2013 and 2012

Contents

	Page
Report of Independent Certified Public Accountants	3
Financial Statements	
Statements of Net Assets Available for Benefits	5
Statement of Changes in Net Assets Available for Benefits	6
Notes to Financial Statements	7
Supplemental Schedules	
Form 5500 Schedule H, Line 4i – Schedule of Assets (Held at End of Year)	18
Form 5500 Schedule H, Line 4j – Schedule of Reportable Transactions	19



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Participants and Administrator of
Longview Fibre Paper and Packaging, Inc. Salaried 401(k) Plan

Grant Thornton LLP
111 SW Columbia, Suite 800
Portland, OR 97201-5813
T 503.222.3562
F 503.295.0148
www.GrantThornton.com

Report on the financial statements

We were engaged to audit the accompanying financial statements of Longview Fibre Paper and Packaging, Inc. Salaried 401(k) Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2013 and 2012, and the related statement of changes in net assets available for benefits for the year ended December 31, 2013, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for disclaimer of opinion

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 certified information described in Note 5, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan administrator that the certifying entity meets the requirements of 29 CFR 2520.103-8. The Plan administrator obtained a certification from this entity as of December 31, 2013 and 2012, and for the year ended December 31, 2013, stating that the certified information provided to the Plan administrator is complete and accurate.



Disclaimer of opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Supplementary information

The supplemental schedules of Assets (Held at End of Year) as of December 31, 2013 and Reportable Transactions for the year ended December 31, 2013 are presented for purposes of additional analysis and are not a required part of the financial statements, but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedules.

Report on form and content in compliance with DOL rules and regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the certified information described in Note 5, 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.

A handwritten signature in black ink that reads "Grant Thornton LLP".

Portland, Oregon
September 30, 2014

Longview Fibre Paper and Packaging, Inc.
Salaried 401(k) Plan

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31,

	<u>2013</u>	<u>2012</u>
ASSETS		
Investments, at fair value (Notes 2, 3, 4, and 8)		
Mutual funds	\$ 69,977,801	\$ 56,960,599
Common and collective trust	<u>13,270,916</u>	<u>15,179,653</u>
Total investments	83,248,717	72,140,252
Receivables		
Participants' contributions	159,636	135,826
Notes receivable from participants	<u>1,112,057</u>	<u>1,173,953</u>
Total receivables	<u>1,271,693</u>	<u>1,309,779</u>
Net assets reflecting investments at fair value	84,520,410	73,450,031
Adjustment from fair value to contract value for interest in collective trust relating to fully-benefit responsive investment contracts	<u>(359,807)</u>	<u>(764,181)</u>
Net assets available for benefits	<u><u>\$ 84,160,603</u></u>	<u><u>\$ 72,685,850</u></u>

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

Longview Fibre Paper and Packaging, Inc.
Salaried 401(k) Plan

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the year ended December 31, 2013

Additions:

Additions to net assets attributed to:

Investment income:

Net appreciation in fair value of investments (Note 4)	\$ 10,179,840
Dividends and interest	1,819,456
Net investment income	<u>11,999,296</u>

Interest income on notes receivable from participants	37,456
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Contributions:

Participant	3,955,145
Rollovers	664,825
Net transfers into Plan (Note 1)	614,004
Other	9,478
Total contributions	<u>5,243,452</u>

Total additions	<u>17,280,204</u>
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Deductions:

Deductions from net assets attributed to:

Benefits paid to participants	5,759,250
Administrative expenses and other deductions (Notes 1,6)	46,201
Total deductions from net assets	<u>5,805,451</u>

Increase in net assets	<u>11,474,753</u>
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Net assets available for benefits:

Beginning of year	<u>72,685,850</u>
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End of year	<u><u>\$ 84,160,603</u></u>
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The accompanying notes are an integral part of these financial statements.

Longview Fibre Paper and Packaging, Inc.
Salaried 401(k) Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

Note 1 – Plan Description

The following description of the Longview Fibre Paper and Packaging, Inc. Salaried 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

In 2013, Longview Fibre Paper and Packaging, Inc. was acquired by Kapstone Paper and Packaging Corporation (the "Company"). The name of the Plan was retained. The Plan is a defined contribution plan covering all eligible salaried and non-union hourly employees of the Company. Each eligible employee shall become a participant by completing a contribution agreement. If such an agreement is received and processed prior to the date automatic enrollment would otherwise be effective, the employee shall become a participant on the first day of the first payroll period that begins after the date the agreement is received and processed. If an eligible employee does not complete a contribution agreement, or opt out, he or she shall become a participant on the first date of the first payroll period that begins on or after the date that is thirty days after the individual became an eligible employee. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended.

Investment of Plan Assets

Upon enrollment in the Plan, a participant may direct contributions in whole percentage increments into the following funds:

- **American Funds Euro Pacific Growth Fund; R-4 Shares** seeks long-term growth of capital by investing in equity securities of companies in Europe and the Pacific Basin.
- **American Funds Growth Fund of America; R-4 Class** seeks capital growth by investing primarily in common stocks and seeks to invest in companies that appear to offer superior opportunities for growth of capital. It may also hold cash or money market instruments.
- **Columbia Real Estate Equity Fund Class Z** seeks a high level of dividend income and long-term growth of capital by investing in equity securities of companies in the real estate industry.
- **Janus Small Cap Value Fund Institutional Shares** seeks long-term growth of capital by investing in the stocks of small companies whose stock is considered undervalued in the marketplace relative to their assets, earnings, cash flow, or business franchise.
- **Lazard Emerging Markets; Open Shares** seeks long-term capital appreciation by investing primarily in equity securities of companies in countries with emerging markets.
- **PIMCO Total Return Fund; Administrative Class** seeks maximum total return, consistent with preservation of capital, by investing in a diversified portfolio of Fixed-Income Instruments of varying maturities, which may be represented by forwards or derivatives such as options, futures contracts, or swap agreements.
- **PIMCO Real Return Fund; Administrative Class** aims to help investors protect their purchasing power against the effects of inflation by seeking real (inflation-adjusted) returns primarily from Treasury Inflation-Protected Securities

Longview Fibre Paper and Packaging, Inc.
Salaried 401(k) Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

Note 1 – Plan Description (continued)

- **Rainier: Small/Mid Cap Equity Portfolio** seeks to provide maximum long-term capital appreciation by investing in the common stock of small- and mid-capitalization companies traded in the U.S. with prospects of strong earnings growth and attractive overall business fundamentals, selling at reasonable valuations.
- **Vanguard 500 Index Fund Investor Shares** seeks to provide long-term growth of capital and income from dividends by holding all of the 500 stocks that make up the unmanaged Standard & Poor's 500 Index.
- **Vanguard Balanced Index Fund Investor Shares** seeks to provide income and long-term growth of capital and income by dividing its assets between indexed portfolios of stocks (60%) and bonds (40%).
- **Vanguard Extended Market Index Fund Investor Shares** seeks to provide long-term growth of capital by attempting to match the performance of the Standard & Poor's Completion Index, a broadly diversified index of stocks of small and medium-size U.S. companies.
- **Vanguard Global Equity Fund** seeks to provide long-term capital appreciation by investing primarily in U.S. and foreign stocks chosen mostly on the basis of bottom-up stock analysis. The fund typically invests across a wide range of industries, and its holdings are expected to represent a mix of value and growth stocks, as well as a mix of established and emerging stock markets.
- **Vanguard Prime Money Market Fund** invests in high-quality, short-term money market instruments, including certificates of deposit, bankers acceptances, commercial paper, and other money market securities.
- **Vanguard Target Retirement Funds** (Vanguard Target Retirement 2010 Fund, Vanguard Target Retirement 2015 Fund, Vanguard Target Retirement 2020 Fund, Vanguard Target Retirement 2025 Fund, Vanguard Target Retirement 2030 Fund, Vanguard Target Retirement 2035 Fund, Vanguard Target Retirement 2040 Fund, Vanguard Target Retirement 2045 Fund, Vanguard Target Retirement 2050 Fund, Vanguard Target Retirement 2055 Fund, Vanguard Target Retirement 2060 Fund, Vanguard Target Retirement Income) consist of twelve separate funds that include a portfolio of stocks, bonds and money market funds using an asset weighting that is appropriate for the targeted time horizon. As the years progress, the funds' allocations to the underlying investments will shift toward a more conservative stance.
- **Vanguard Total Bond Market Index Fund Investor Shares** seeks to track the performance of a broad, market weighted bond index.
- **Vanguard Total International Stock Index Fund** offers investors a low cost way to gain equity exposure to both developed and emerging international economies. The fund tracks stock markets all over the globe, with the exception of the United States. Because it invests in non-U.S. stocks, including those in developed and emerging markets, the fund can be more volatile than a domestic fund.

Longview Fibre Paper and Packaging, Inc.
Salaried 401(k) Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

Note 1 – Plan Description (continued)

- **Vanguard Windsor II Fund Investor Shares** seeks to provide long-term growth of capital and income from dividends by investing in a diversified group of out-of-favor stocks of large-capitalization companies. The stocks generally sell at prices below the overall market average compared to their dividend income and future return potential.
- **Vanguard Retirement Savings Trust** seeks to provide a high level of income and a stable unit value of \$1 in most cases by investing primarily in investment contracts issued by insurance companies, banks or other financial institutions, including investment contracts backed by high-quality fixed income securities. Participant directed redemptions have no restrictions.

Contributions

Each year, participants may contribute up to 100 percent of their eligible compensation as contributions, as defined by the Plan. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. Unless directed otherwise, contributions are invested by default in the Vanguard Target Retirement Fund for the year nearest the year in which the participant will attain age 65. Contributions are subject to limitations established in the Internal Revenue Code ("IRC") Section 415(c). Additionally, the Tax Reform Act of 1986 limits annual amounts deferred by participants under all deferral arrangements to \$17,500 for taxable year 2013.

No Company matching contributions shall be made to this Plan with respect to participant contributions made on pay dates on or after January 1, 2009 unless the Plan is otherwise amended. Matching contributions made on pay dates prior to January 1, 2009, are held in the participant's matching contribution account.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of any applicable fund earnings or losses. Allocations are based on participant earnings on account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

During the year, various employees transferred from hourly to salary jobs, or salary to hourly jobs, as part of the normal course of business. Under terms of the Company's plans, when an employee moves from one plan to another, their plan assets are transferred between Plans. All terms such as vesting, contributions and loans continue from their original date. The net transfers to this Plan from other Company sponsored plans totaled \$614,004 for the year ended December 31, 2013.

Longview Fibre Paper and Packaging, Inc.
Salaried 401(k) Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

Note 1 – Plan Description (continued)

Vesting

Participants are immediately and fully vested in their pre-tax and after-tax contributions, including earnings thereon.

The Company's matching contributions become vested as follows:

Years of Service

Fewer than 3	0%
3 or more	100%

In addition, the Plan provides for full vesting of the Company's contributions, including earnings thereon, upon retirement, death or permanent and total disability. Normal retirement age is 65.

If a participant who is not fully vested terminates employment and returns to service after a break of five years or more, the value of the Company's unvested contributions credited to the participant's account prior to termination of employment is permanently forfeited. If a participant terminates employment but returns to service after a break in service of less than five years, the current value of the Company's unvested contributions credited to the participant's account prior to termination of service is credited to the participant's account upon the participant's return to service.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to \$50,000 or 50 percent of their vested account balance, whichever is less. The loans are secured by the balance in the participant's account and bear interest at rates that range from 3.25 percent to 9.50 percent, which are commensurate with the prime rate as announced the last business day of each calendar quarter. Principal and interest are paid ratably through payroll deductions.

Payment of Benefits

If a participant's account balance exceeds \$5,000 upon termination, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account or quarterly installments over a period not to exceed the life expectancy of the participant and his beneficiary. If upon termination, a participant's account balance does not exceed \$5,000, the balance may only be distributed in the form of a single lump-sum distribution. A lump-sum withdrawal may also be made upon attainment of age 59-1/2 or in the event of hardship. Withdrawal requests for financial hardship are limited to the amount of a participant's fully vested account balance.

Forfeited Accounts

As of December 31, 2013 and 2012, the Plan had amounts totaling \$4,089 and \$35,808, respectively, representing forfeited, non-vested amounts resulting from employee terminations. These amounts were allocated back into the Plan subsequent to employee termination, and will be used to restore accounts of rehired former participants, pay Plan fees and expenses, or to reduce future matching contributions.

Longview Fibre Paper and Packaging, Inc.
Salaried 401(k) Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

Note 2 – Summary of Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan.

The Statement of Net Assets Available for Benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared using the contract value basis for fully benefit-responsive investment contracts.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Except for the Vanguard Retirement Savings Trust, the Plan's investments and changes in net assets are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Quoted market prices are used to value investments. Shares of mutual funds are valued at the net asset value of shares held by the Plan at year-end. The net appreciation in the fair value of investments consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments held by the Plan. See Note 8 for further discussion of fair value measurements.

Investments in the Vanguard Retirement Savings Trust ("Trust"), which primarily holds investments in fully benefit-responsive investment contracts, provide that the Plan may make withdrawals at contract value for benefit responsive requirements. The Plan's interest in the Trust is valued at net asset value, which is a derived price in an active market as determined by the fund trustee based on the contractual terms of the underlying contracts at December 31 of the appropriate plan year. The Trust's contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may direct the withdrawal or transfer all or a portion of their investment at contract value.

Longview Fibre Paper and Packaging, Inc.
Salaried 401(k) Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

Note 2 – Summary of Accounting Policies (continued)

The Statement of Net Assets Available for Benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded on the accrual basis. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits

Benefits are recorded when paid.

Fees and Expenses

The Plan provides that the Company will pay administrative costs and expenses of the Plan, including trustee and management fees. Such costs not paid by the Company are paid from the Plan's assets. Fees for participant loans are paid by the participants receiving the loans.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2013 or 2012. Delinquent loans are reclassified as distributions based upon the terms of the Plan document.

Note 3 – Risks and Uncertainties

The Plan provides investment options in various combinations of investment securities. Investment securities are exposed to various risks including, but not limited to, interest rates, market conditions, and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the financial statements.

Longview Fibre Paper and Packaging, Inc.
Salaried 401(k) Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

Note 4 – Investments

The following presents investments that represent 5 percent or more of the Plan's net assets:

	2013	2012
Vanguard 500 Index Fund Investor Shares	\$ 15,565,793	\$ 11,707,608
Vanguard Retirement Savings Trust*	12,911,109	14,415,472
Vanguard Balanced Index Fund Investor Shares	10,926,046	9,402,793
Vanguard Target Retirement 2015 Fund	6,186,817	5,096,465
Vanguard Target Retirement 2025 Fund	5,475,545	4,335,857

(*) The Plan's investment in the Vanguard Retirement Savings Trust is reported above at contract value. The fair value of the Plan's investment in the Vanguard Retirement Savings Trust was \$13,270,916 and \$15,179,653 at December 31, 2013 and 2012, respectively.

During the year ended December 31, 2013, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

	2013
Mutual Funds	\$ 10,179,840

Note 5 – Certified Information

The Plan Administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Accordingly, Vanguard Fiduciary Trust Company, the trustee of the Plan, has certified that the following data included in the accompanying financial statements and supplemental schedules are complete and accurate:

- Investments and notes receivable from participants, as shown in the statements of net assets available for benefits as of December 31, 2013 and 2012.
- Net investment income and interest income on notes receivable from participants, as shown in the statement of changes in net assets available for benefits for the year ended December 31, 2013.
- Schedule H, line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2013.
- Schedule H, line 4j – Schedule of Reportable Transactions for the year ended December 31, 2013.

Note 6 – Related Party Transactions and Party in Interest Transactions

Certain Plan investments are shares of mutual funds managed by Vanguard Fiduciary Trust Company (the "Trustee"), and therefore, these transactions qualify as party-in-interest transactions. Fees paid to the Trustee by the Plan were \$46,201 for the year ended December 31, 2013.

Longview Fibre Paper and Packaging, Inc.
Salaried 401(k) Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

Note 7 – Plan Termination

Although it has not expressed any intent 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. In the event of Plan termination, participants would become 100 percent vested in their employer contributions.

Note 8 – Fair Value Measurements

FASB ASC 820 provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.
Level 2	<div>Inputs to the valuation methodology include:<ul style="list-style-type: none">• quoted prices for similar assets or liabilities in active markets;• quoted prices for identical or similar assets or liabilities in inactive markets;• inputs other than quoted prices that are observable for the asset or liability;• inputs that are derived principally from or corroborated by observable market data by correlation or other means.</div> <div>If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.</div>
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Investments classified within level 3 whose fair value measurements consider several inputs may include level 1 or level 2 inputs as components of the overall fair value measurement.

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, 2013 and 2012.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Longview Fibre Paper and Packaging, Inc.
Salaried 401(k) Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

Note 8 – Fair Value Measurements (continued)

Common and Collective Trust: Valued at the NAV of units of a collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investment held by the fund less its liabilities. This practice expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of the collective trust, the investment adviser reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

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 the Plan 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 table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2013 and 2012:

2013				
Asset	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Balanced Funds	\$ 36,261,836	\$ -	\$ -	\$ 36,261,836
Bond Funds	3,386,302	-	-	3,386,302
Domestic Stock Funds	25,373,932	-	-	25,373,932
International Stock Funds	3,955,935	-	-	3,955,935
Specialty Stock Funds	969,481	-	-	969,481
Short Term Reserve	30,315	-	-	30,315
Common and Collective Trust	-	13,270,916	-	13,270,916
Total	\$ 69,977,801	\$ 13,270,916	\$ -	\$ 83,248,717

2012				
Asset	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Balanced Funds	\$ 29,982,117	\$ -	\$ -	\$ 29,982,117
Bond Funds	3,393,263	-	-	3,393,263
Domestic Stock Funds	19,557,606	-	-	19,557,606
International Stock Funds	3,123,122	-	-	3,123,122
Specialty Stock Funds	854,155	-	-	854,155
Short Term Reserve	50,336	-	-	50,336
Common and Collective Trust	-	15,179,653	-	15,179,653
Total	\$ 56,960,599	\$ 15,179,653	\$ -	\$ 72,140,252

Longview Fibre Paper and Packaging, Inc.
Salaried 401(k) Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

Note 8 – Fair Value Measurements (continued)

The following table summarizes investments measured at fair value based on NAV per share as of December 31, 2013 and 2012, respectively.

Year	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
December 31, 2013				
Collective trust fund	\$13,270,916	None	Daily	None
December 31, 2012				
Collective trust fund	\$15,179,653	None	Daily	None

Note 9 – Tax Status

The Internal Revenue Service has determined and informed the Company by letter dated September 6, 2012 that the Plan and related trust are designed in accordance with applicable sections of the IRC. Although the Plan has been amended since receiving the determination letter, the Plan Administrator and the Plan's legal counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

Note 10 – Plan Amendments

There have been no amendments to the Plan effective for the year ending December 31, 2013.

Note 11 – Subsequent Events

During 2014, the Pension Committee approved merging of the Longview Fibre Paper and Packaging, Inc. Union Hourly 401(k) Plan, the Longview Fibre Paper and Packaging, Inc. Salaried 401(k) Plan and the KapStone Paper and Packaging Corporation 401k Plan into one plan. The merging of these plans is anticipated to occur prior to the end of 2014.

Additionally, during 2014 the Pension Committee elected to use Fidelity Investments as the record keeper and actuary for all Company benefit plans.

Subsequent events have been evaluated through September 30, 2014, the date of the independent certified public accountant report noting no additional matters that require disclosure or adjustment to the financial statements.

SUPPLEMENTAL SCHEDULES

Longview Fibre Paper and Packaging, Inc.
Salaried 401(k) Plan

Form 5500 Schedule H, Line 4i

Schedule of Assets (Held at End of Year)

As of December 31, 2013

Identity of Issue	Investment Type	Cost**	Current Value
Investments:			
American Funds Euro Pacific Growth Fund; R-4 Shares	Mutual Fund		\$ 1,308,860
American Funds Growth Fund of America; R-4 Class	Mutual Fund		2,345,307
Columbia Real Estate Equity Fund Class Z	Mutual Fund		969,481
Janus Small Cap Value Fund Institutional Shares	Mutual Fund		1,152,337
Lazard Emerging Markets; Open Shares	Mutual Fund		614,343
PIMCO Total Return Fund; Administrative Class	Mutual Fund		2,362,159
PIMCO Real Return Fund; Administrative Class	Mutual Fund		125,769
Rainier: Small/Mid Cap Equity Portfolio	Mutual Fund		1,373,061
*Vanguard 500 Index Fund Investor Shares	Mutual Fund		15,565,793
*Vanguard Balanced Index Fund Investor Shares	Mutual Fund		10,926,046
*Vanguard Extended Market Index Fund Investor Shares	Mutual Fund		2,916,470
*Vanguard Global Equity Fund	Mutual Fund		1,117,375
*Vanguard Prime Money Market Fund	Mutual Fund		30,315
*Vanguard Target Retirement 2010 Fund	Mutual Fund		834,328
*Vanguard Target Retirement 2015 Fund	Mutual Fund		6,186,817
*Vanguard Target Retirement 2020 Fund	Mutual Fund		2,879,903
*Vanguard Target Retirement 2025 Fund	Mutual Fund		5,475,545
*Vanguard Target Retirement 2030 Fund	Mutual Fund		1,614,737
*Vanguard Target Retirement 2035 Fund	Mutual Fund		2,889,175
*Vanguard Target Retirement 2040 Fund	Mutual Fund		939,562
*Vanguard Target Retirement 2045 Fund	Mutual Fund		1,044,788
*Vanguard Target Retirement 2050 Fund	Mutual Fund		422,416
*Vanguard Target Retirement 2055 Fund	Mutual Fund		72,293
*Vanguard Target Retirement 2060 Fund	Mutual Fund		4,117
*Vanguard Target Retirement Income	Mutual Fund		2,972,110
*Vanguard Total Bond Market Index Fund Investor Shares	Mutual Fund		898,374
*Vanguard Total International Stock Index Fund	Mutual Fund		915,355
*Vanguard Windsor II Fund Investor Shares	Mutual Fund		2,020,965
*Vanguard Retirement Savings Trust	Common and Collective Trust		12,911,109
			82,888,910
Participant loans			1,112,057
			<u><u>\$ 84,000,967</u></u>

* Party-in-interest

** Cost information has been omitted under ERISA regulations as these investments are participant directed.

Longview Fibre Paper and Packaging, Inc.
Salaried 401(k) Plan

Form 5500 Schedule H, Line 4j

Schedule of Reportable Transactions

For the year ended December 31, 2013

Identity of Party Involved	Identity of Asset	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Historical Gain(Loss)
Vanguard	Vanguard 500 Index Fund Investor Shares	\$ 2,165,281	\$ -	\$ -	\$ 2,165,281	\$ -
Vanguard	Vanguard 500 Index Fund Investor Shares	\$ -	\$ 1,798,337	\$ 1,402,407	\$ 1,798,337	\$ 395,930
Vanguard	Vanguard Retirement Savings Trust	\$ 2,074,532	\$ -	\$ -	\$ -	\$ -
Vanguard	Vanguard Retirement Savings Trust	\$ -	\$ 3,578,895	\$ 3,578,895	\$ 3,578,895	\$ -

Longview Fibre Paper and Packaging, Inc.
Salaried 401(k) Plan

Form 5500 Schedule H, Line 4i

Schedule of Assets (Held at End of Year)

As of December 31, 2013

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Investments:			
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*Vanguard Retirement Savings Trust	Common and Collective Trust		12,911,109
			82,888,910
Participant loans			1,112,057
			<u>\$ 84,000,967</u>

* Party-in-interest

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Longview Fibre Paper and Packaging, Inc.
Salaried 401(k) Plan

Form 5500 Schedule H, Line 4j

Schedule of Reportable Transactions

For the year ended December 31, 2013

Identity of Party Involved	Identity of Asset	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on		Historical Gain(Loss)
					Transaction Date		
Vanguard	Vanguard 500 Index Fund Investor Shares	\$ 2,165,281	\$ -	\$ -	\$ 2,165,281	\$ -	-
Vanguard	Vanguard 500 Index Fund Investor Shares	\$ -	\$ 1,798,337	\$ 1,402,407	\$ 1,798,337	\$ 395,930	
Vanguard	Vanguard Retirement Savings Trust	\$ 2,074,532	\$ -	\$ -	\$ -	\$ -	-
Vanguard	Vanguard Retirement Savings Trust	\$ -	\$ 3,578,895	\$ 3,578,895	\$ 3,578,895	\$ -	-