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 SMART MEMORIES™ AND SMART DIGITAL™ PAPERS

WARN ACT NOTICE

October 30, 2008

Ohio Dislocated Worker Unit
 Rapid Response Section
 Bureau of WIA, OH Dept. of Job & Family Services
 P.O. Box 1618
 145 S. Front St.
 Columbus, OH 43216-1618

RE: Smart Papers Holdings LLC, Hamilton, Ohio

Dear Ohio Dislocation Worker Unit:

This notice is being provided to you in the event that the federal Worker Adjustment and Retraining Notification Act ("WARN") applies to the upcoming reductions in force at SMART Paper Holdings LLC ("Smart Papers"), 601 North "B" Street, Hamilton, Ohio 45013. This notice is to inform you that Smart Papers will be reducing the size of the workforce based upon current market and economic conditions.

Unfortunately, this will result in the elimination of certain positions. The employment loss is expected to be permanent. However, the entire operation will not be shut down. The job titles and number of affected employees in each job classification who are subject to termination pursuant to the reduction are set forth in Attachment A.

Bargaining Unit employees covered under the current labor agreement with USW, Local 1967 have certain bumping rights. The name of the local union official representing the bargaining unit employees at Smart Papers is Ricky Farley, President, and his contact information is USW, Local 1967, 1050 Millville Avenue, Hamilton, Ohio 45013, telephone number 513-868-8417.

YOU'RE BRILLIANT. WE'RE SMART. IMAGINE THE POSSIBILITIES.

SMART PAPERS LLC 601 NORTH B STREET HAMILTON, OHIO 45013 513-869-5000 800-443-9773
 WWW.SMARTPAPERS.COM

Based upon the Company's current plan, the layoffs are expected to take place between October 30, 2008 and December 30, 2008. For further information regarding this matter, please contact Susan D. Carpenter, Director of Human Resources of Smart Papers at 601 N. "B" Street, Hamilton, Ohio 45013, telephone number 513-869-5237.

Sincerely,



Daniel J. Maheu,
President and COO

Attachment

FACSIMILE & CERTIFIED MAIL

| 2 | City | State | Zip | Title |
|---|------------|-------|-------|------------------------------------|
| | Middletown | OH | 45044 | Roll Proc Manager |
| | Hamilton | OH | 45013 | Product Dev Assoc |
| | Metamora | IN | 47030 | #1 Mill Specialist |
| | Hamilton | OH | 45013 | Product Dev Engineer |
| | Carlisle | OH | 45005 | #1 Mill Stock Prep Manager |
| | Hamilton | OH | 45013 | Sr Admin Asst Marketing |
| | Hamilton | OH | 45011 | Customer Service Rep |
| | Monroe | OH | 45050 | Mechanical Reliability Engineer |
| | Hamilton | OH | 45015 | Product Development Assoc |
| | Fairfield | OH | 45014 | Inventory OS Conv Specialist |
| | Hamilton | OH | 45011 | Inventory Spec II |
| | Hamilton | OH | 45013 | Operations Admin. Asst. 3 |
| | Middletown | OH | 45042 | Mechanical Reliability Coordinator |

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Positions Affected by Force Reduction

| | |
|----------------------------|---|
| Coated Mill Shipping: | 2 Product Handlers |
| Quality Assurance: | 1-Product Analyst |
| #1 Mill Stock Preparation: | 1-Stock Preparation Operator 2-Pulper Furnishers |
| No. 9 Paper Machine: | 1-Machine Tender 1-Backtender 1-Winder Operator 1-Coater Tender 1-4 th Hand 1-Tub Size Operator |
| Cast Coating: | 9-Drum Operators |
| Coating Preparation: | 2 Mixer Operators 1- Blender Operator |
| Sheet Packing: | 1-Packing Specialist 2- Assistant Packing Specialist |
| Roll Processing: | 1-Crew Leader 4-Rewinder Operators 1-Assistant Rewinder Operator 1-Packing Specialist-Rolls |
| Sheet Processing: | 3-Assistant Sheeter Operators |
| Material Handling: | 1-Roll Handler 2-Baler Operators |
| Operations General: | 2-Area Relief |