

Verso Corp
Form SC 13G
October 18, 2017
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13G

(Rule 13d-102)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULES 13d-1(b), (c), AND (d) AND AMENDMENTS THERETO FILED
PURSUANT TO RULE 13d-2(b)

(Amendment No.)¹

Verso Corporation
(Name of Issuer)

Class A Common Stock, \$0.01 par value per share
(Title of Class of Securities)

92531L207
(CUSIP Number)

October 16, 2017
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

1 The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

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The information required on the remainder of this cover page shall not be deemed to be “filed” for the purpose of Section 18 of the Securities Exchange Act of 1934 (“Act”) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, *see* the *Notes*).

CUSIP NO. 92531L207

| | |
|----|---|
| 1 | NAME OF REPORTING PERSON |
| | Mudrick Distressed Opportunity Specialty Fund, L.P. |
| 2 | CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP |
| | (a) |
| | (b) |
| 3 | SEC USE ONLY |
| 4 | CITIZENSHIP OR PLACE OF ORGANIZATION |
| | Delaware |
| 5 | NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH |
| | SOLE VOTING POWER |
| | -0- |
| 6 | SHARED VOTING POWER |
| | 224,331 |
| 7 | SOLE DISPOSITIVE POWER |
| | -0- |
| 8 | SHARED DISPOSITIVE POWER |
| | 224,331 |
| 9 | AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON |
| 10 | 224,331* |

CHECK BOX IF
THE AGGREGATE
AMOUNT IN ROW
(9) EXCLUDES
CERTAIN
SHARES

11 PERCENT OF CLASS
REPRESENTED BY
AMOUNT IN ROW (9)

12 Less than 1.0%
TYPE OF REPORTING
PERSON

PN

* Represents 218,245 shares of Class A Common Stock and 6,086 shares of Class A Common Stock that are issuable upon exercise of warrants. The warrants are exercisable by the reporting person at any time prior to expiration on July 15, 2023.

CUSIP NO. 92531L207

| | | |
|---|--|--------------------------|
| 1 | NAME OF REPORTING PERSON | |
| | Mudrick Distressed Opportunity Drawdown Fund, L.P. | |
| 2 | CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP | (a) (b) |
| 3 | SEC USE ONLY | |
| 4 | CITIZENSHIP OR PLACE OF ORGANIZATION | |
| | Delaware | |
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 5 | SOLE VOTING POWER |
| | | -0- |
| OWNED BY EACH REPORTING PERSON WITH | 6 | SHARED VOTING POWER |
| | | 742,838 |
| PERSON WITH | 7 | SOLE DISPOSITIVE POWER |
| | | -0- |
| PERSON WITH | 8 | SHARED DISPOSITIVE POWER |
| | | 742,838 |
| 9 | AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON | |
| 10 | CHECK BOX IF THE AGGREGATE AMOUNT IN ROW | 742,838* |

(9) EXCLUDES
CERTAIN
SHARES

11 PERCENT OF CLASS
REPRESENTED BY
AMOUNT IN ROW (9)

12 2.2%
TYPE OF REPORTING
PERSON

PN

* Represents 727,470 shares of Class A Common Stock and 15,368 shares of Class A Common Stock that are issuable upon exercise of warrants. The warrants are exercisable by the reporting person at any time prior to expiration on July 15, 2023.

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CUSIP NO. 92531L207

| | |
|---|--|
| 1 | NAME OF REPORTING PERSON |
| | Mudrick Distressed Opportunity Fund Global, L.P. |
| 2 | CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP |
| | (a) |
| | (b) |
| 3 | SEC USE ONLY |
| 4 | CITIZENSHIP OR PLACE OF ORGANIZATION |
| | Cayman Islands |
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 5 SOLE VOTING POWER |
| | -0- |
| | SHARED VOTING POWER |
| | 6 |
| | 2,367,077 |
| | SOLE DISPOSITIVE POWER |
| | 7 |
| | -0- |
| | SHARED DISPOSITIVE POWER |
| | 8 |
| | 2,367,077 |
| 9 | AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON |
| 10 | CHECK BOX IF THE AGGREGATE |
| | 2,367,077* |

AMOUNT IN ROW
(9) EXCLUDES
CERTAIN
SHARES

11 PERCENT OF CLASS
REPRESENTED BY
AMOUNT IN ROW (9)

12 6.9%
TYPE OF REPORTING
PERSON

PN

* Represents 2,306,552 shares of Class A Common Stock and 60,525 shares of Class A Common Stock that are issuable upon exercise of warrants. The warrants are exercisable by the reporting person at any time prior to expiration on July 15, 2023.

CUSIP NO. 92531L207

| | | |
|---|--|--------------------------|
| 1 | NAME OF REPORTING PERSON | |
| | Mudrick GP, LLC | |
| 2 | CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP | (a) (b) |
| 3 | SEC USE ONLY | |
| 4 | CITIZENSHIP OR PLACE OF ORGANIZATION | |
| | Delaware | |
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 5 | SOLE VOTING POWER |
| | | -0- |
| OWNED BY EACH REPORTING PERSON WITH | 6 | SHARED VOTING POWER |
| | | 2,591,408 |
| PERSON WITH | 7 | SOLE DISPOSITIVE POWER |
| | | -0- |
| PERSON WITH | 8 | SHARED DISPOSITIVE POWER |
| | | 2,591,408 |
| 9 | AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON | |
| 10 | CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES | 2,591,408* |

CERTAIN
SHARES

11 PERCENT OF CLASS
REPRESENTED BY
AMOUNT IN ROW (9)

12 7.6%
TYPE OF REPORTING
PERSON

OO

* Represents 2,524,797 shares of Class A Common Stock and 66,611 shares of Class A Common Stock that are issuable upon exercise of warrants. The warrants are exercisable by the reporting person at any time prior to expiration on July 15, 2023.

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CUSIP NO. 92531L207

| | |
|----|---|
| 1 | NAME OF REPORTING PERSON |
| | Mudrick Distressed Opportunity Drawdown Fund GP, LLC |
| 2 | CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP |
| | (a) |
| | (b) |
| 3 | SEC USE ONLY |
| 4 | CITIZENSHIP OR PLACE OF ORGANIZATION |
| | Delaware |
| 5 | NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH |
| | SOLE VOTING POWER |
| | -0- |
| 6 | SHARED VOTING POWER |
| | 742,838 |
| 7 | SOLE DISPOSITIVE POWER |
| | -0- |
| 8 | SHARED DISPOSITIVE POWER |
| | 742,838 |
| 9 | AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON |
| 10 | 742,838* |

CHECK BOX IF
THE AGGREGATE
AMOUNT IN ROW
(9) EXCLUDES
CERTAIN
SHARES

11 PERCENT OF CLASS
REPRESENTED BY
AMOUNT IN ROW (9)

2.2%

12 TYPE OF REPORTING
PERSON

OO

* Represents 727,470 shares of Class A Common Stock and 15,368 shares of Class A Common Stock that are issuable upon exercise of warrants. The warrants are exercisable by the reporting person at any time prior to expiration on July 15, 2023.

CUSIP NO. 92531L207

| | | |
|---|--|--------------------------|
| 1 | NAME OF REPORTING PERSON | |
| | Mudrick Capital Management, L.P. | |
| 2 | CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP | (a) (b) |
| 3 | SEC USE ONLY | |
| 4 | CITIZENSHIP OR PLACE OF ORGANIZATION | |
| | Delaware | |
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 5 | SOLE VOTING POWER |
| | | -0- |
| OWNED BY EACH REPORTING PERSON WITH | 6 | SHARED VOTING POWER |
| | | 5,218,411 |
| PERSON WITH | 7 | SOLE DISPOSITIVE POWER |
| | | -0- |
| PERSON WITH | 8 | SHARED DISPOSITIVE POWER |
| | | 5,218,411 |
| 9 | AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON | |
| 10 | CHECK BOX IF THE AGGREGATE AMOUNT IN ROW | 5,218,411* |

(9) EXCLUDES
CERTAIN
SHARES

11 PERCENT OF CLASS
REPRESENTED BY
AMOUNT IN ROW (9)

12 15.3%
TYPE OF REPORTING
PERSON

IA

* Represents 5,092,273 shares of Class A Common Stock and 126,138 shares of Class A Common Stock that are issuable upon exercise of warrants. The warrants are exercisable by the reporting person at any time prior to expiration on July 15, 2023.

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CUSIP NO. 92531L207

| | | |
|---|--|--------------------------|
| 1 | NAME OF REPORTING PERSON | |
| | Mudrick Capital Management, LLC | |
| 2 | CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP | (a) (b) |
| 3 | SEC USE ONLY | |
| 4 | CITIZENSHIP OR PLACE OF ORGANIZATION | |
| | Delaware | |
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 5 | SOLE VOTING POWER |
| | | -0- |
| OWNED BY EACH REPORTING PERSON WITH | 6 | SHARED VOTING POWER |
| | | 5,218,411 |
| PERSON WITH | 7 | SOLE DISPOSITIVE POWER |
| | | -0- |
| PERSON WITH | 8 | SHARED DISPOSITIVE POWER |
| | | 5,218,411 |
| 9 | AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON | |
| 10 | CHECK BOX IF THE AGGREGATE AMOUNT IN ROW | 5,218,411* |

(9) EXCLUDES
CERTAIN
SHARES

11 PERCENT OF CLASS
REPRESENTED BY
AMOUNT IN ROW (9)

12 15.3%
TYPE OF REPORTING
PERSON

OO

* Represents 5,092,273 shares of Class A Common Stock and 126,138 shares of Class A Common Stock that are issuable upon exercise of warrants. The warrants are exercisable by the reporting person at any time prior to expiration on July 15, 2023.

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CUSIP NO. 92531L207

| | | |
|----|---|---|
| 1 | NAME OF REPORTING PERSON | |
| | Jason Mudrick | |
| 2 | CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP | (a) |
| | | (b) |
| 3 | SEC USE ONLY | |
| 4 | CITIZENSHIP OR PLACE OF ORGANIZATION | |
| 5 | NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | United States of America SOLE VOTING POWER |
| | | -0- |
| 6 | SHARED VOTING POWER | |
| | | 5,218,411 |
| 7 | SOLE DISPOSITIVE POWER | |
| | | -0- |
| 8 | SHARED DISPOSITIVE POWER | |
| | | 5,218,411 |
| 9 | AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON | |
| 10 | CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES | 5,218,411* |

CERTAIN
SHARES

11 PERCENT OF CLASS
REPRESENTED BY
AMOUNT IN ROW (9)

12 15.3%
TYPE OF REPORTING
PERSON

IN

* Represents 5,092,273 shares of Class A Common Stock and 126,138 shares of Class A Common Stock that are issuable upon exercise of warrants. The warrants are exercisable by the reporting person at any time prior to expiration on July 15, 2023.

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The Reporting Persons initially filed a Schedule 13G on July 25, 2016 and amendments thereto with respect to the securities of the Issuer on February 10, 2017 and June 21, 2017. Subsequently, on September 18, 2017, the Reporting Persons' investment intent changed with respect to the securities of the Issuer and the Reporting Persons filed a Schedule 13D, in accordance with Rule 13d-1(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). As of October 16, 2017, the Reporting Persons no longer hold securities of the Issuer with a purpose or effect of changing or influencing control of the Issuer, or in connection with or as a participant in any transaction having that purpose or effect. Accordingly, the Reporting Persons are transitioning back to a Schedule 13G pursuant to Rule 13d-1(c) of the Exchange Act in accordance with Rule 13d-1(h) of the Exchange Act.

Item 1(a).

Name of Issuer:

Verso Corporation, a Delaware corporation (the "Issuer").

Item 1(b).

Address of Issuer's Principal Executive Offices:

8450 Grander Creek Drive

Miamisburg, Ohio 45342

Item 2(a).

Name of Person Filing

This statement is filed by Mudrick Distressed Opportunity Specialty Fund, L.P. ("Specialty LP"), Mudrick Distressed Opportunity Drawdown Fund, L.P. ("Drawdown LP"), Mudrick Distressed Opportunity Fund Global, L.P. ("Global LP"), Mudrick GP, LLC ("Mudrick GP"), Mudrick Distressed Opportunity Drawdown Fund GP, LLC ("Drawdown GP"), Mudrick Capital Management, L.P. ("MCM"), Mudrick Capital Management, LLC ("MCM GP"), and Jason Mudrick. Each of the foregoing is referred to as a "Reporting Person" and collectively as the "Reporting Persons."

Mudrick GP is the general partner of Specialty LP and Global LP and may be deemed to beneficially own the Shares (as defined below) owned directly by Specialty LP and Global LP. Drawdown GP is the general partner of Drawdown LP and may be deemed to beneficially own the Shares owned directly by Drawdown GP. MCM is the investment manager to Specialty LP, Drawdown LP and Global LP and certain managed accounts. MCM GP is the general partner of MCM. Mr. Mudrick is the sole member of Mudrick GP, Drawdown GP and MCM GP. By virtue of these relationships, each of MCM, MCM GP and Mr. Mudrick may be deemed to beneficially own the Shares (as defined below) owned directly by Specialty LP, Drawdown LP and Global LP.

Item 2(b).

Address of Principal Business Office or, if None, Residence

The address of the principal office of each of the Reporting Persons is 527 Madison Avenue, 6th Floor, New York, NY 10022.

Item 2(c).

Citizenship

Each of Specialty LP, Drawdown LP, Mudrick GP, Drawdown GP, MCM, MCM GP is organized under the laws of the State of Delaware. Global LP is organized under the laws of the Cayman Islands. Mr. Mudrick is a citizen of the United States of America.

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Item 2(d).

Title of Class of Securities:

Class A Common Stock, \$0.01 par value per share (the "Shares")

Item 2(e).

CUSIP Number:

92531L207

Item 3. If This Statement is Filed Pursuant to Rule 13d-1(b), or 13d-2(b) or (c), Check Whether the Person Filing is a:

Not applicable.

- (a) // Broker or dealer registered under Section 15 of the Exchange Act.
- (b) // Bank as defined in Section 3(a)(6) of the Exchange Act.
- (c) // Insurance company as defined in Section 3(a)(19) of the Exchange Act.
- (d) // Investment company registered under Section 8 of the Investment Company Act.
- (e) // An investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E).
- (f) // An employee benefit plan or endowment fund in accordance with Rule 13d-1(b)(1)(ii)(F).
- (g) // A parent holding company or control person in accordance with Rule 13d-1(b)(1)(ii)(G).
- (h) // A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act.
- (i) // A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act.
- (j) // Group, in accordance with Rule 13d-1(b)(1)(ii)(J).
- (k) // Group, in accordance with Rule 240.13d-1(b)(1)(ii)(K). If filing as a non-U.S. institution in accordance with Rule 240.13d-1(b)(1)(ii)(J), please specify the type of institution: _____

Item 4.

Ownership

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(a)

Amount beneficially owned:

See Cover Page Item 9 for each Reporting Person. The filing of this Schedule 13G shall not be construed as an admission that the Reporting Persons are, for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended, the beneficial owners of any of the Shares reported herein. Each of the Reporting Persons specifically disclaims beneficial ownership of the Shares reported herein that are not directly owned by such Reporting Person except to the extent of his or its pecuniary interest therein.

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CUSIP NO. 92531L207

(b) Percent of class:

See Cover Page Item 11 for each Reporting Person. The following percentages are based on a denominator that is the sum of: (a) 34,086,201 Shares outstanding, which is the total number of Shares outstanding as of July 31, 2017 as reported in the Issuer's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 9, 2017 and (b) 126,138 Shares that are issuable upon exercise of warrants.

(c) Number of shares as to which such person has:

(i) Sole power to vote or to direct the vote

See Cover Page Items 5-9 for each Reporting Person.

(ii) Shared power to vote or to direct the vote

See Cover Page Items 5-9 for each Reporting Person.

(iii) Sole power to dispose or to direct the disposition of

See Cover Page Items 5-9 for each Reporting Person.

(iv) Shared power to dispose or to direct the disposition of

See Cover Page Items 5-9 for each Reporting Person.

Item 5. Ownership of Five Percent or Less of a Class.

Not Applicable.

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

Not Applicable.

Item 7. Identification and Classification of the Subsidiary That Acquired the Security Being Reported on by the Parent Holding Company or Control Person.

Not Applicable.

Item 8. Identification and Classification of Members of the Group.

See Exhibit 99.1.

Item 9. Notice of Dissolution of Group.

Not Applicable.

Item 10. Certifications.

By signing below each of the undersigned certifies that, to the best of its knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

CUSIP NO. 92531L207

SIGNATURE

After reasonable inquiry and to the best of his knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: October 18, 2017

MUDRICK
DISTRESSED
OPPORTUNITY
SPECIALTY FUND,
L.P.

By: Mudrick GP, LLC,
its general partner

By: /s/ Jason Mudrick
Name: Jason Mudrick
Title: Sole Member

MUDRICK
DISTRESSED
OPPORTUNITY
DRAWDOWN FUND,
L.P.

By: Mudrick Distressed
Opportunity Drawdown
Fund GP, LLC, its
general partner

By: /s/ Jason Mudrick
Name: Jason Mudrick
Title: Sole Member

MUDRICK
DISTRESSED
OPPORTUNITY FUND
GLOBAL, L.P.

By: Mudrick GP, LLC,
its general partner

By: /s/ Jason Mudrick
Name: Jason Mudrick
Title: Sole Member

MUDRICK GP, LLC

By: /s/ Jason Mudrick
Name: Jason Mudrick
Title: Sole Member

MUDRICK
DISTRESSED
OPPORTUNITY
DRAWDOWN FUND
GP, LLC

By: /s/ Jason Mudrick
Name: Jason Mudrick
Title: Sole Member

CUSIP NO. 92531L207

MUDRICK CAPITAL
MANAGEMENT, L.P.

By: Mudrick Capital
Management, LLC, its
general partner

By: /s/ Jason Mudrick
Name: Jason Mudrick
Title: Sole Member

MUDRICK CAPITAL
MANAGEMENT, LLC

By: /s/ Jason Mudrick
Name: Jason Mudrick
Title: Sole Member

/s/ Jason Mudrick
JASON MUDRICK