

NATIONAL FUEL GAS CO  
Form 424B3  
January 22, 2009

**Filed Pursuant to Rule 424(b)(3)  
Registration Statement No. 333-155238**

**\$300,000,000**

**Offer to Exchange  
6.50% Notes due 2018  
which have been registered under the Securities Act of 1933  
for any and all outstanding  
6.50% Notes due 2018  
which have not been registered under the Securities Act of 1933 of**

## **National Fuel Gas Company**

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This exchange offer expires at 5:00 p.m., New York City time, on February 18, 2009, unless extended.

National Fuel Gas Company ("National") is offering to exchange any and all of its outstanding \$300 million aggregate principal amount of unregistered 6.50% Notes due 2018 issued on April 11, 2008, which National refers to as its original notes, that are validly tendered and not validly withdrawn for an equal principal amount of National's 6.50% Notes due 2018 that National has registered under the Securities Act of 1933, which National refers to as the new notes.

No public market exists for the original notes or the new notes. National does not intend to list the new notes on any securities exchange or to seek approval for quotation through any automated quotation system.

The new notes will constitute National's direct unsecured general obligations and will rank equally with all of National's other senior, unsecured and unsubordinated debt from time to time outstanding.

**See "RISK FACTORS" beginning on page 9 for a discussion of the risks that holders should consider prior to making a decision to exchange original notes for new notes.**

Each broker-dealer that receives new notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of the new notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act of 1933. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of new notes received in exchange for original notes where such original notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. National has agreed that, for a period of one year after the expiration date of the exchange offer, National will make this prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

**The date of this prospectus is January 21, 2009.**

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**This prospectus incorporates by reference important business and financial information about National that is not included in or delivered with this document. Any statement made in this prospectus concerning the contents of any contract, agreement or other document is only a summary of the actual document. Each statement regarding a contract, agreement or other document is qualified in its entirety by reference to the actual document. Copies of this information are available without charge to any person to whom this prospectus is delivered, upon written or oral request. Written or oral requests should be directed to Paula M. Ciprich, Secretary, National Fuel Gas Company, 6363 Main Street, Williamsville, New York 14221; telephone number (716) 857-7548. To obtain timely delivery, you must request the information no later than February 10, 2009, which is five business days before the expiration date of this exchange offer.**

**This prospectus is part of a registration statement National has filed with the Securities and Exchange Commission. National is submitting this prospectus to holders of original notes so that you can consider exchanging the original notes for new notes. You should rely only on the information contained or incorporated by reference in this prospectus. National has not authorized anyone to provide you with additional or different information. If anyone provides you with additional or different information, you should not rely on it. National is not making an offer to exchange and issue the new notes in any jurisdiction where the offer or exchange is not permitted. You should assume that the information contained in this prospectus is accurate only as of the date on the front cover of this prospectus and that any information National has incorporated by reference is accurate only as of the date of the document incorporated by reference.**

**WHERE YOU CAN FIND MORE INFORMATION**

National files annual, quarterly and other reports and information with the Securities Exchange Commission (the "SEC") under File No. 001-03880. These SEC filings are available to the public over the Internet at the SEC's website at <http://www.sec.gov>. You may also read and copy any of these SEC filings at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. Information about National is also available on National's website, [www.natfuel.com](http://www.natfuel.com). Other than any SEC filings incorporated by reference in this prospectus, the information available on National's website is not part of this prospectus.

**INCORPORATION BY REFERENCE**

National discloses important information to you by referring you to documents that it has filed with the SEC that are "incorporated by reference" in this prospectus. The information incorporated by reference is an important part of this prospectus. Information that National files in the future with the SEC will automatically update and supersede the information included in this prospectus and will also automatically update and supersede any information previously incorporated by reference. National incorporates by reference the documents listed below and any future filings it makes with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act"), excluding information deemed furnished and not filed, until this offering is terminated:

- Annual Report on Form 10-K for the year ended September 30, 2008, as amended by the amendment thereto filed on Form 10-K/A; and
- Current Reports on Form 8-K filed December 4, 2008, December 29, 2008, January 2, 2009 and January 20, 2009.

You may request a copy of these filings, at no cost, by writing or calling Paula M. Ciprich, Secretary, National Fuel Gas Company, 6363 Main Street, Williamsville, New York 14221; telephone number (716) 857-7548.

**DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS**

Some of the statements contained or incorporated by reference in this prospectus are forward-looking statements. Forward-looking statements include statements concerning plans, objectives, goals, projections, strategies, future events or performance, and underlying assumptions and other statements that are other than statements of historical facts. Words such as "anticipate," "estimate," "expect," "forecast," "intend," "plan," "predict," "believe," "seek," "will," "may," and similar expressions, are forward-looking statements and accordingly involve risks and uncertainties that could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. The forward-looking statements contained herein are based on various assumptions, many of which are based, in turn, upon further assumptions. National's expectations, beliefs and projections are expressed in good faith and are believed by National to have a reasonable basis, including, without limitation, management's examination of historical operating trends, data contained in National's records and other data available from third parties, but there can be no assurance that management's expectations, beliefs or projections will result or be achieved or accomplished. In addition to other factors and matters discussed elsewhere herein, the following are important factors that, in the view of National, could cause actual results to differ materially from those discussed in the forward-looking statements:

1. financial and economic conditions, including the availability of credit, and their effect on National's ability to obtain financing on acceptable terms for working capital, capital expenditures and other investments;
2. occurrences affecting National's ability to obtain financing under credit lines or other credit facilities or through the issuance of commercial paper, other short-term notes or debt or equity securities, including any downgrades in National's credit ratings and changes in interest rates and other capital market conditions;
3. changes in economic conditions, including global, national or regional recessions, and their effect on the demand for, and customers' ability to pay for, National's products and services;
4. the creditworthiness or performance of National's key suppliers, customers and counterparties;
5. economic disruptions or uninsured losses resulting from terrorist activities, acts of war, major accidents, fires, hurricanes, other severe weather, pest infestation or other natural disasters;
6. changes in actuarial assumptions, the interest rate environment and the return on plan/trust assets related to National's pension and other post-retirement benefits, which can affect future funding obligations and costs and plan liabilities;
7. changes in demographic patterns and weather conditions;
8. changes in the availability and/or price of natural gas or oil and the effect of such changes on the accounting treatment of derivative financial instruments or the valuation of National's natural gas and oil reserves;
9. impairments under the SEC's full cost ceiling test for natural gas and oil reserves;
10. uncertainty of oil and gas reserve estimates;
11. ability to successfully identify, drill for and produce economically viable natural gas and oil reserves, including shortages, delays or unavailability of equipment and services required in drilling operations;
12. significant changes from expectations in National's actual production levels for natural gas or oil;
13. changes in the availability and/or price of derivative financial instruments;
14. changes in the price differentials between various types of oil;

15. inability to obtain new customers or retain existing ones;
16. significant changes in competitive factors affecting National;

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17. changes in laws and regulations to which National is subject, including tax, environmental, safety and employment laws and regulations;
18. governmental/regulatory actions, initiatives and proceedings, including those involving acquisitions, financings, rate cases (which address, among other things, allowed rates of return, rate design and retained natural gas), affiliate relationships, industry structure, franchise renewal, and environmental/safety requirements;
19. unanticipated impacts of restructuring initiatives in the natural gas and electric industries;
20. significant changes from expectations in actual capital expenditures and operating expenses and unanticipated project delays or changes in project costs or plans;
21. the nature and projected profitability of pending and potential projects and other investments, and the ability to obtain necessary governmental approvals and permits;
22. ability to successfully identify and finance acquisitions or other investments and ability to operate and integrate existing and any subsequently acquired business or properties;
23. changes in the market price of timber and the impact such changes might have on the types and quantity of timber harvested by National;
24. significant changes in tax rates or policies or in rates of inflation or interest;
25. significant changes in National's relationship with its employees or contractors and the potential adverse effects if labor disputes, grievances or shortages were to occur;
26. changes in accounting principles or the application of such principles to National;
27. the cost and effects of legal and administrative claims against National or activist shareholder campaigns to effect changes at National;
28. increasing health care costs and the resulting effect on health insurance premiums and on the obligation to provide post-retirement benefits; or
29. increasing costs of insurance, changes in coverage and the ability to obtain insurance.

For a discussion of these risks and other factors that could cause actual results to differ materially from results referred to in the forward-looking statements, see "Risk Factors." National disclaims any obligation to update any forward-looking statements to reflect events or circumstances after the date hereof.

**SUMMARY**

This summary highlights selected information from this prospectus. This summary is not complete and does not contain all of the information you should consider prior to making a decision to exchange original notes for new notes. You should read all of the information contained or incorporated by reference in this prospectus carefully, including the Risk Factor section and the documents incorporated by reference in this prospectus.

**National Fuel Gas Company**

National, incorporated in 1902, is a holding company organized under the laws of New Jersey. National is engaged in the business of owning and holding securities issued by its subsidiaries: Data-Track Account Services, Inc., Empire Pipeline, Inc., Highland Forest Resources, Inc., Horizon Energy Development, Inc., Horizon LFG, Inc., Horizon Power, Inc., Leidy Hub, Inc., National Fuel Gas Distribution Corporation, National Fuel Gas Supply Corporation, National Fuel Resources, Inc. and Seneca Resources Corporation.

National and its subsidiaries comprise a diversified energy company consisting of five major business segments:

the Utility  
segment,  
which sells  
natural gas  
and provides  
natural gas  
transportation  
services  
through a  
local  
distribution  
system located  
in western  
New York and  
northwestern  
Pennsylvania;

the Pipeline  
and Storage  
segment,  
which  
provides  
interstate and  
intrastate  
natural gas  
transportation  
and storage  
services;

the  
Exploration  
and  
Production  
segment,  
which is  
engaged in the  
exploration  
for, and the  
development  
and purchase  
of, natural gas  
and oil  
reserves in



California, the Appalachian region of the United States, Wyoming and the Gulf Coast region of Texas, Louisiana and Alabama;

the Energy Marketing segment, which markets natural gas to industrial, wholesale, commercial, public authority and residential customers primarily in western and central New York and northwestern Pennsylvania; and

the Timber segment, which engages in the marketing of timber, the operation of sawmills and the processing of timber.

National's other businesses are engaged in the purchase, sale and transportation of landfill gas, and the development or operation of mid-range independent power production facilities and landfill gas electric generation facilities.

National's principal executive offices are located at 6363 Main Street, Williamsville, New York 14221 and its telephone number is (716) 857-7000.

**Summary of the Exchange Offer**

**The Exchange Offer** National is offering to exchange up to \$300,000,000 aggregate principal amount of National's new 6.50% notes due April 15, 2018 for up to \$300,000,000 aggregate principal amount of National's original 6.50% notes due April 15, 2018 which are currently outstanding. Original notes may only be exchanged in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. In order to be exchanged, an original note must be properly tendered and accepted. All original notes that are validly tendered and not validly withdrawn will be exchanged.

**Expiration Date** 5:00 p.m., New York City time, on February 18, 2009 unless National extends the exchange offer.

**Resales Without Further Registration** Based on no-action letters issued by the staff of the SEC to third parties, National believes that the new notes issued pursuant to the exchange offer may be offered for resale, resold or otherwise transferred by you without compliance with the registration and prospectus delivery provisions of the Securities Act of 1933, as amended (the "Securities Act") provided that:

you are acquiring the new notes issued in the exchange offer in the ordinary course of your business;

you have not engaged in, do not intend to engage in, and have no arrangement or understanding with any person to participate in, the distribution of the new notes issued to you in the exchange offer; and

you are not National's affiliate, as defined under Rule 405 of the Securities Act.

Each broker-dealer that receives new notes for its own account in exchange for original notes, where such original notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such new notes.

The letter of transmittal states that by so acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act.

This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of new notes received in exchange for original notes where such original notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. National has agreed that, for a period of one year after the expiration date of the exchange offer, National will make this prospectus, as amended or supplemented, available to any broker-dealer

for use in connection with any such resale. See Plan of Distribution.

**Accrued Interest on the New Notes and Original Notes**

The new notes will bear interest from April 11, 2008 or the last interest payment date on which interest was paid on the original notes surrendered in exchange therefor. Holders of original notes that are accepted for exchange will be deemed to have waived the right to receive any payment in respect of interest on such original notes accrued from the last interest payment date to the date of issuance of the new notes.

**Conditions to the Exchange Offer**

If the exchange offer would not be permitted by applicable law or SEC policy, National will not be required to consummate the exchange offer. See The Exchange Offer Conditions.

**Procedures for Tendering Original Notes**

Each holder of original notes wishing to accept the exchange offer must:

complete, sign and date the letter of transmittal or a facsimile of the letter of transmittal; or

if original notes are tendered in accordance with the book-entry procedures described in this prospectus, the tendering holder must transmit an agent's message to the exchange agent at the address listed in this prospectus.

You must mail or otherwise deliver the required documentation together with the original notes to the exchange agent.

**Special Procedures for Beneficial Holders**

If you beneficially own original notes registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender your original notes in the exchange offer, you should contact such registered holder promptly and instruct them to tender on your behalf. If you wish to tender on your own behalf, you must, before completing and executing the letter of transmittal for the exchange offer and delivering your original notes, either arrange to have your original notes registered in your name or obtain a properly completed note power from the registered holder. The transfer of registered ownership may take considerable time.

**Guaranteed Delivery Procedures**

You must comply with the applicable guaranteed delivery procedures for tendering if you wish to tender your original notes and:

your original notes are not immediately available; or

time will not permit your required documents to reach the exchange agent prior to 5:00 p.m., New York City time, on the expiration date of the exchange offer; or

you cannot complete the procedures for delivery by book-entry transfer prior to 5:00 p.m., New

York City time, on the expiration date of the exchange offer.

**Withdrawal Rights**

You may withdraw your tender of original notes at any time prior to 5:00 p.m., New York City time, on the date the exchange offer expires.

**Failure to Exchange Will Affect You Adversely**

If you are eligible to participate in the exchange offer and you do not tender your original notes, you will not have further exchange or registration rights and your original notes will continue to be subject to restrictions on transfer under the Securities Act. Accordingly, the liquidity of your original notes will be adversely affected.

**U.S. Federal Income Tax Consequences**

The exchange of original notes for new notes pursuant to the exchange offer will not constitute a taxable event for United States federal income tax purposes. See U.S. Federal Income Tax Consequences.

**Exchange Agent**

The Bank of New York Mellon is serving as exchange agent.

**Use of Proceeds**

National will not receive any proceeds from the exchange offer. See Use of Proceeds.

**Registration Rights**

Additional interest with respect to the original notes shall be assessed as described below if any of the following events occur:

on or prior to 230 calendar days after April 11, 2008, the exchange offer registration statement has not been filed with the SEC;

on or prior to 275 days after April 11, 2008, the exchange offer has not been declared effective by the SEC;

on or prior to 320 calendar days after April 11, 2008, the exchange offer has not been consummated;

if required, on or prior to the later of 30 calendar days after a shelf registration event date and 230 calendar days after April 11, 2008, a shelf registration statement has not been filed with the SEC;

if required, on or prior to the later of 75 calendar days after a shelf registration event date and 275 calendar days after April 11, 2008, a shelf registration statement has not been declared effective by the SEC; or

after either the exchange offer registration statement or the shelf registration statement has been filed and declared effective,

such registration statement thereafter ceases to be effective, or

such registration statement is unusable

for its intended purpose under the circumstances set forth in the registration rights agreement.

If any of the above events occur, additional interest will accrue on the original notes in addition to the rate shown on the cover page of this prospectus, from and including the date on which any such registration default shall occur to, but excluding, the date on which the registration default has been cured, at the rate of 0.25% per year, plus an additional 0.25% per year from and during any period in which the registration default has continued for more than 90 calendar days, up to a maximum rate of 0.50% per year. In no event will the additional interest on the original notes exceed 0.50% per year. National will have no other liabilities for monetary damages with respect to its registration obligations.

With respect to each holder, National's obligations to pay additional interest remain in effect only so long as the original notes held by the holder are registrable notes within the meaning of the registration rights agreement. The receipt of additional interest will be the sole monetary remedy available to a holder if National fails to meet these obligations. See The Exchange Offer Terms of the Exchange Offer.

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## Summary Terms of New Notes

<b>Issuer</b>	National Fuel Gas Company
<b>Notes Offered</b>	<p>Up to \$300,000,000 aggregate principal amount of 6.50% Notes due April 15, 2018 that have been registered under the Securities Act. The form and terms of the new notes will be the same as the form and terms of the original notes except that:</p> <p>the new notes will bear a different CUSIP number from the original notes;</p> <p>the new notes have been registered under the Securities Act, and therefore, will not bear legends restricting their transfer; and</p> <p>you will not be entitled to any exchange or registration rights with respect to the new notes.</p> <p>The new notes will evidence the same debt as the original notes. They will be entitled to the benefits of the indenture governing the original notes and will be treated under the indenture as a single series with the original notes. National refers to the new notes and the original notes collectively as the notes in this prospectus.</p>
<b>Maturity Date</b>	April 15, 2018.
<b>Interest Rate</b>	The new notes will bear interest at the rate of 6.50% per annum from April 11, 2008 or the last interest payment date on which interest was paid on the original notes, calculated on the basis of a 360-day year consisting of twelve 30-day months.
<b>Interest Payment Dates</b>	Each April 15 and October 15. Interest payments will commence on the new notes on April 15, 2009.
<b>Optional Redemption</b>	National may redeem some or all of the new notes at any time and from time to time at the make-whole redemption price discussed in this prospectus under the heading Description of the Notes Optional Redemption.
<b>Ranking</b>	The new notes will constitute National's direct unsecured general obligations and will rank equally with all of National's other senior, unsecured and unsubordinated debt from time to time outstanding.
<b>Change of Control</b>	If a change of control triggering event as described in this prospectus under the heading Description of the Notes Change of Control Offer occurs, each holder of the new notes may require National to purchase all or a portion of such holder's new notes at a price equal to 101% of the principal amount, plus accrued interest, if any, to the date of purchase.
<b>Use of Proceeds</b>	National will not receive cash proceeds from the issuance of the new notes hereby. In consideration for issuing the new notes in exchange for the original notes as described in this prospectus, National will receive original notes of

like principal amount. The original notes tendered and accepted in the exchange offer for the new notes will be retired and canceled.

**Denomination and Form**

National will issue the new notes in the form of one or more fully registered global notes registered in the name of the nominee of The Depository Trust Company, or DTC. Beneficial interests in the new notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Clearstream Banking, société anonyme and Euroclear Bank, S.A./N.V., as operator of the Euroclear System, will hold interests on behalf of their participants through their respective U.S. depositaries, which in turn will hold such interests in accounts as participants of DTC. Except in limited circumstances described in this prospectus,



owners of beneficial interests in the new notes will not be entitled to have new notes registered in their names, will not receive or be entitled to receive new notes in definitive form and will not be considered holders of new notes under the indenture. The new notes will be issued in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

**Risk Factors**

See Risk Factors and other information in this prospectus for a discussion of factors you should carefully consider before deciding to participate in the exchange offer.

**Exchange Agent**

The Bank of New York Mellon.

**For additional information regarding the new notes, see the section entitled Description of the Notes in this prospectus.**

**Summary Financial Data**

The following material, which is presented in this prospectus solely to furnish limited introductory information, is qualified in its entirety by, and should be considered in conjunction with, the more detailed information incorporated by reference or provided in this prospectus.

	(In Thousands)				
	Twelve Months Ended September 30,				
	2008	2007	2006	2005	2004
<b>Summary of Operations:</b>					
Operating revenues	\$ 2,400,361	\$ 2,039,566	\$ 2,239,675	\$ 1,860,774	\$ 1,867,875
Operating income	\$ 486,125	\$ 396,498	\$ 355,623	\$ 288,187	\$ 315,599
Net income available for common stock	\$ 268,728	\$ 337,455	\$ 138,091	\$ 189,488	\$ 166,586
Dividends declared on common stock	\$ 103,523	\$ 101,496	\$ 98,829	\$ 95,394	\$ 90,350

	As of September 30,				
	2008	2007	2006	2005	2004
Total assets	\$ 4,130,187	\$ 3,888,412	\$ 3,763,748	\$ 3,749,753	\$ 3,738,103
Long-term debt, net of current portion	\$ 999,000	\$ 799,000	\$ 1,095,675	\$ 1,119,012	\$ 1,133,317

The following table shows National's ratio of earnings to fixed charges for the periods indicated:

Fiscal Years Ended September 30,				
2008	2007	2006	2005	2004
6.68	5.31	4.64	3.66	3.50

## RISK FACTORS

*You should carefully consider the risk factors described below, and the risks and uncertainties discussed in National's Annual Report on Form 10-K for the fiscal year ended September 30, 2008, which is incorporated by reference herein, as well as the other information included or incorporated by reference in this prospectus prior to making a decision to exchange original notes for new notes.*

### **Risks relating to National's Business**

For a discussion of risks to consider regarding National's business, see the risk factors section of National's Annual Report on Form 10-K for the fiscal year ended September 30, 2008, as updated in its Quarterly Reports on Form 10-Q.

### **Risks relating to the Exchange Offer**

***If National fails to exchange your original notes, or does so improperly, the original notes will continue to be restricted securities and may become less liquid.***

Original notes that you do not validly tender or that National does not accept will, following the exchange offer, continue to be restricted securities and you may not offer or sell them except under an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. National will issue new notes in exchange for the original notes in the exchange offer only following the satisfaction of the procedures and conditions set forth in "The Exchange Offer" Exchange Offer Procedures. Such procedures and conditions include timely receipt by the exchange agent of the original notes and a properly completed and duly executed letter of transmittal. Because National anticipates that most holders of the original notes will elect to exchange them for new notes in the exchange offer, National expects that the liquidity of the market for the original notes remaining after the completion of the exchange offer will be substantially limited. Any original notes tendered and exchanged in the exchange offer will reduce the aggregate principal amount of the original notes outstanding. Following the exchange offer, if you do not tender your original notes, you generally will not have any further registration rights, and such original notes will continue to be subject to certain transfer restrictions.

***National cannot assure you that an active trading market for the new notes will develop.***

National does not intend to apply for listing or quotation of the new notes on any securities exchange or to seek approval for quotations through any automated quotation system. Consequently, there is a risk that:

- a liquid market for the new notes will not develop;
- you will not be able to sell your new notes; or
- you will not receive any specific price upon any sale of the new notes.

***Broker-dealers may need to comply with the registration and prospectus delivery requirements of the Securities Act.***

Any broker-dealer that (i) exchanges its original notes in the exchange offer for the purpose of participating in a distribution of the new notes or (ii) resells new notes that were received by it for its own account in the exchange offer may be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction by that broker-dealer. Any profit on the resale of the new notes and any commission or concessions received by a broker-dealer may be deemed to be underwriting compensation under the Securities Act.

***You may not receive new notes in the exchange offer if the exchange offer procedure is not followed.***

National will issue the new notes in exchange for your original notes only if you properly tender your original notes before the expiration of the exchange offer. Neither the exchange agent nor National is under any

duty to give notification of defects or irregularities with respect to tenders of original notes for exchange. If you are the beneficial holder of original notes that are held through your broker, dealer, commercial bank, trust company or other nominee, and you wish to tender in the exchange offer, you should promptly contact the person through whom your original notes are held and instruct that person to tender on your behalf.

### **Risks relating to the new notes**

#### ***The market price of the new notes will fluctuate.***

Any material differences between National's actual results and historical results contained in National's annual, quarterly and current reports filed with the SEC and incorporated by reference in this prospectus could have a significant adverse impact on the market price of the notes, assuming a market for the new notes develops.

Likewise, any downgrade of National's credit ratings could have a significant adverse impact on the market price of the new notes, assuming a market for the new notes develops. The original notes are currently rated Baa1 by Moody's Investor Services, Inc., BBB+ by Standard & Poor's Ratings Services (S&P) and A- by Fitch Ratings. On October 15, 2008, National's senior unsecured credit rating was placed on CreditWatch-with negative implications by S&P. Each security rating agency has its own methodology for assigning ratings. Security ratings are not recommendations to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

#### ***The new notes will be effectively subordinated to the liabilities of National's subsidiaries.***

Because National is a holding company, the new notes will be structurally subordinated to the existing and future liabilities of National's subsidiaries. National conducts all of its operations through its subsidiaries and so its ability to meet its obligations under the new notes will be dependent on the earnings and cash flows of those subsidiaries and the ability of those subsidiaries to pay dividends or to advance or repay funds to National. Holders of the new notes will generally have a position junior to claims of creditors of National's subsidiaries, including trade creditors of and holders of indebtedness issued by any such subsidiary and preferred stockholders of the subsidiaries of National. No subsidiary currently has (i) outstanding shares of preferred stock or (ii) any outstanding long-term debt other than to National.

#### ***National may not have sufficient funds to purchase the new notes upon a change of control triggering event and this covenant provides limited protection to investors.***

Holders of the new notes may require National to purchase their new notes upon a "change of control triggering event" as defined under "Description of the Notes" Change of Control Offer. National cannot assure you that National will have sufficient financial resources, or will be able to arrange sufficient financing, to pay the purchase price of the new notes, particularly if a change of control event triggers a similar repurchase requirement for, or results in the acceleration of, National's other then existing debt.

The change of control offer covenant is limited to the transactions specified in "Description of the Notes" Change of Control Offer. National has no present intention to engage in a transaction involving a change of control triggering event, although it is possible that National could decide to do so in the future. National could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a change of control triggering event under the new notes, but that could increase the amount of indebtedness outstanding at such time or otherwise materially adversely affect National's capital structure or credit ratings.

#### ***After the standstill agreement with New Mountain Vantage expires, New Mountain Vantage may attempt to increase its control over National.***

On January 24, 2008, National and New Mountain Vantage GP, L.L.C. and its affiliates, including the California Public Employees' Retirement System ("Vantage"), entered into an agreement to settle the proxy contest pertaining to the election of directors to National's Board of Directors at National's 2008 Annual Meeting of Stockholders. Pursuant to the settlement agreement, National and Vantage have agreed, among other things, to a



standstill whereby, until September 2009, Vantage will not, among other things, acquire voting securities that would increase its beneficial ownership to more than 9.6 percent of National's voting securities; engage in any proxy solicitations or advance any shareholder proposals; attempt to control National's Board of Directors, management or policies; call a meeting of shareholders; obtain additional representation to the Board of Directors; or effect the removal of any member of the Board of Directors. At the end of the standstill period, Vantage may again seek to increase its control and/or influence over National.

***The indenture does not restrict the amount of additional debt that National may incur.***

The new notes and the indenture under which the new notes will be issued do not place any limitation on the amount of unsecured debt that may be incurred by National. National's incurrence of additional debt may have important consequences for holders of the new notes, including making it more difficult for National to satisfy its obligations with respect to the new notes, a loss in the trading value of the new notes, if any, and a risk that the credit rating of the new notes is lowered or withdrawn.

## THE EXCHANGE OFFER

The following descriptions of the exchange offer and the registration rights agreement are summaries and are qualified by reference to the registration rights agreement. This summary does not contain a complete description of the exchange offer, the new notes or the registration rights agreement. You should read this summary together with the registration rights agreement for a complete understanding of the provisions that may be important to you. In addition, the information below concerning specific interpretations of and positions taken by the staff of the SEC is not intended to constitute legal advice, and holders of new notes should consult their own legal advisors with respect to those matters.

### Terms of the Exchange Offer

#### *Purpose of the Exchange Offer*

National sold the original notes on April 11, 2008 in a transaction exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"). The initial purchasers of the original notes subsequently resold the original notes to qualified institutional buyers in reliance on Rule 144A under the Securities Act and outside the United States to non-U.S. persons in compliance with Regulation S under the Securities Act.

In connection with the sale of original notes to the initial purchasers pursuant to the Purchase Agreement, dated April 8, 2008, among National and Banc of America Securities LLC, BNY Mellon Capital Markets, Inc. and J.P. Morgan Securities Inc., acting as representatives for the initial purchasers named therein, the holders of the original notes became entitled to the benefits of a registration rights agreement dated April 11, 2008, among National and the initial purchasers.

The registration rights agreement provides that National will:

- within 230 calendar days following the original issue date of the original notes, prepare and file with the SEC an exchange offer registration statement;
- use its reasonable best efforts to cause the exchange offer registration statement to be declared effective within 275 calendar days of the original issue date of the original notes;
- use its reasonable best efforts to keep the exchange offer registration statement effective until the closing of the exchange offer; and
- use its reasonable best efforts to cause the exchange offer to be consummated not later than 45 calendar days following the effectiveness of the exchange offer registration statement.

This prospectus, together with the letter of transmittal, is being sent to all beneficial holders of original notes known to National.

Upon the terms and subject to the conditions set forth in this prospectus and in the accompanying letter of transmittal, National will accept all original notes properly tendered and not withdrawn prior to the expiration date. Holders may tender some or all of their original notes pursuant to the exchange offer.

Interest on each new note will accrue from the last date on which interest was paid on the original note surrendered in exchange or, if no interest has been paid on that original note, from the original issue date of the original notes.

### SEC Interpretations

Based on existing interpretations of the Securities Act by the staff of the SEC in several no-action letters to third parties, and subject to the immediately following sentence, National believes that the new notes issued pursuant to the exchange offer may be offered for resale, resold or otherwise transferred by the holders, other than holders who are broker-dealers, without further compliance with the registration and prospectus delivery provisions





of the Securities Act. Any purchaser of original notes, however, who is National's affiliate or who intends to participate in the exchange offer for the purpose of distributing the new notes, or any participating broker-dealer who purchased the original notes for its own account, other than as a result of market-making activities or other trading activities, to resell pursuant to Rule 144A or any other available exemption under the Securities Act:

- will not be able to rely on the interpretations by the staff of the SEC;
- will not be able to tender its original notes in the exchange offer; and
- must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any sale or transfer of the new notes, unless the sale or transfer is made under an exemption from those requirements.

National does not intend to seek its own interpretation regarding the exchange offer, and National cannot assure you that the staff of the SEC would make a similar determination with respect to the new notes as it has in other interpretations to third parties.

Each holder of original notes, other than specified holders, who wishes to exchange the original notes for the new notes in the exchange offer will be required to make representations that:

- it is not an affiliate of National;
- it is not a broker-dealer tendering original notes acquired directly from National for its own account;
- the original notes being exchanged, and any new notes to be received by it, have been or will be acquired in the ordinary course of its business; and
- it has no arrangement or understanding with any person to participate in the distribution, within the meaning of the Securities Act, of the new notes.

In addition, in connection with resales of new notes, any participating broker-dealer must deliver a prospectus meeting the requirements of the Securities Act. The staff of the SEC has taken the position that participating broker-dealers may fulfill their prospectus delivery requirements with respect to the new notes, other than a resale of an unsold allotment from the original sale of the notes, with the prospectus contained in the exchange offer registration statement. Under the registration rights agreement, National has agreed, for a period of one year following the consummation of the exchange offer, to make available a prospectus meeting the requirements of the Securities Act to any participating broker-dealer for use in connection with any resale of any new notes acquired in the exchange offer.

National shall be deemed to have accepted validly tendered original notes when, as and if National has given oral or written notice of the acceptance of such original notes to the exchange agent. The exchange agent will act as agent for the tendering holders of original notes for the purposes of receiving the new notes from the issuers and delivering new notes to such holders.

If any tendered original notes are not accepted for exchange because of an invalid tender or the occurrence of the conditions set forth under "Conditions" without waiver by National, certificates for any such unaccepted original notes will be returned, without expense, to the tendering holder of any such original notes as promptly as practicable after the expiration date.

Holders of original notes who tender in the exchange offer will not be required to pay brokerage commissions or fees or, subject to the instructions in the letter of transmittal, transfer taxes with respect to the exchange of original notes, pursuant to the exchange offer. National will pay all charges and expenses, other than certain applicable taxes in connection with the exchange offer. See "Fees and Expenses."

## Shelf Registration

If:

(1) National is not permitted to consummate the exchange offer because the exchange offer is not permitted by applicable law or SEC policy;

(2) for any reason, the exchange offer is not consummated within 320 calendar days following the date of original issuance of the notes; or

(3) National receives notice from any holder in specified circumstances,

National will, in addition to or instead of effecting the registration of the new notes pursuant to the exchange offer registration statement, as the case may be,

(a) on or prior to the later of (i) 30 calendar days after any event described in (1), (2) and (3) above and (ii) 230 calendar days after the original issuance date of the original notes, file with the SEC a shelf registration statement covering resales of the original notes;

(b) use its reasonable best efforts to cause the shelf registration statement to be declared effective by the SEC under the Securities Act prior to the later of (i) 75 calendar days after the date of any event described in (1), (2) or (3) above and (ii) 275 calendar days after the original issuance date of the original notes;

(c) use its reasonable best efforts to keep the shelf registration statement effective until one year after the original issue date of the original notes or until all of the original notes covered by the shelf registration statement have been sold or otherwise cease to be registrable notes within the meaning of the registration rights agreement (as defined below); provided, however, that National may fail to keep the shelf registration statement effective and usable for offers and sales of original notes in its reasonable judgment for specified periods under certain circumstances; and

(d) use its reasonable best efforts to ensure that:

the shelf registration statement and any amendment to the shelf registration statement and any prospectus included in the shelf registration statement complies in all material respects with the Securities Act; and

the shelf registration statement and any amendment to the shelf registration statement and any prospectus included in the shelf registration statement does not, when it becomes effective, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

National will, in the event of the filing of a shelf registration statement, provide to each holder of original notes that are covered by the shelf registration statement copies of the prospectus that is a part of the shelf registration statement and notify each holder when the shelf registration statement has become effective. A holder of original notes that sells the notes pursuant to the shelf registration statement generally will be required to be named as a selling securityholder in the related prospectus, to deliver information to be used in connection with the shelf registration, and to deliver a prospectus to purchasers, will be subject to the civil liability provisions under the Securities Act in connection with the sales and will be bound by the provisions of the registration rights agreement that are applicable to the holder, including indemnification obligations.

For purposes of the registration rights agreement, registrable notes means the original notes, until the earliest to occur of:

- the date on which any original note has been exchanged by a person other than a participating broker-dealer for new notes in the exchange offer;



- following the exchange by a participating broker-dealer in the exchange offer of any original note for one or more new notes, the date on which such new notes are sold to a purchaser in accordance with the exchange offer registration statement;
- the date on which any original note has been registered under the Securities Act and disposed of in accordance with a shelf registration statement; and
- the date on which any original note is eligible to be distributed to the public pursuant to Rule 144 under the Securities Act (or any successor provision thereof) without the satisfaction of any conditions except the applicable holding period set forth therein.

### **Legend; Suspension of Resales**

Each original note contains a legend to the effect that the holder of the original notes, by its acceptance of the original notes, agrees to be bound by the provisions of the registration rights agreement. In that regard, if a holder receives notice from National of:

- (1) any request by the SEC or any state securities authority for amendments or supplements to a registration statement or prospectus or for additional information after the registration statement has become effective;
- (2) the issuance by the SEC or any state securities authority of any stop order suspending the effectiveness of a registration statement or the qualification of the original notes or the new notes to be offered or sold by any participating broker-dealer or the initiation of proceedings for that purpose;
- (3) the happening of any event or the failure of any event to occur or the discovery of any facts that makes any statement made in a registration statement or related prospectus untrue in any material respect or that causes that registration statement or the related prospectus to omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which there were made, not misleading, as well as any other corporate developments, public filings with the SEC or similar events causes the registration statement not to be effective or the prospectus not to be usable for resales; or
- (4) National's reasonable determination that a post-effective amendment to the registration statement would be appropriate,

the holder, or participating broker-dealer, as the case may be, will suspend the sale of original notes pursuant to that prospectus until National has either:

- amended or supplemented the prospectus to correct the misstatement or omission and furnished copies of the amended or supplemented prospectus to the holder, or participating broker-dealer, as the case may be; or
- given notice that the sale of the original notes may be resumed.

### **Additional Interest**

If a registration default occurs, which means one of the following events occurs:

- the exchange offer registration statement is not filed with the SEC on or prior to the 230th calendar day following the original issue date of the original notes;
- the exchange offer registration statement is not declared effective by the SEC on or prior to the 275th calendar day following the original issue date of the original notes;
- the exchange offer is not consummated on or prior to the 320th calendar day following the original issue date of the original notes;
- if required, a shelf registration statement with respect to the original notes is not filed with the SEC on or prior to the later of (i) 30 calendar days after any event described in (1), (2) or (3) under

☐☐Shelf Registration☐ above and (ii) 230 calendar days after the original issue date of the original notes;

- if required, a shelf registration statement with respect to the original notes is not declared effective by the SEC on or prior to the later of (i) 75 calendar days after the date of any event described in (1), (2) or (3) under ☐☐Shelf Registration☐ above and (ii) 275 calendar days following the original issue date of the original notes; or
- either the exchange offer registration statement or a shelf registration statement has been filed and declared effective but after its effective date ceases to be effective or is unusable for its intended purpose under the circumstances set forth in the registration rights agreement;

then additional interest will accrue on the original notes in addition to the rate shown on the cover page of this prospectus, from and including the date on which any such registration default shall occur to, but excluding, the date on which the registration default has been cured, at the rate of 0.25% per year, plus an additional 0.25% per year from and during any period in which the registration default has continued for more than 90 calendar days, up to a maximum rate of 0.50% per year. In no event will the additional interest on the original notes exceed 0.50% per year. National will have no other liabilities for monetary damages with respect to its registration obligations. With respect to each holder, National's obligations to pay additional interest remain in effect only so long as the original notes held by the holder are ☐registrable notes☐ within the meaning of the registration rights agreement. The receipt of additional interest will be the sole monetary remedy available to a holder if National fails to meet these obligations.

### **Business Days**

Notwithstanding any other provision of the registration rights agreement to the contrary, if the date by which the exchange offer registration statement or a shelf registration statement is required to be filed with or declared effective by the SEC or the exchange offer is required to be consummated falls on a day that is not a business day, then such date shall be extended to the next succeeding business day and no additional interest shall accrue on the original notes during such extension.

### **Governing Law**

The registration rights agreement is governed by, and construed in accordance with, the laws of the State of New York.

### ***Expiration Date; Extensions; Amendment***

National will keep the exchange offer open for not less than 20 business days, or longer if required by applicable law, after the date on which notice of the exchange offer is mailed to the holders of the original notes. The term ☐expiration date☐ means the expiration date set forth on the cover page of this prospectus, unless National extends the exchange offer, in which case the term ☐expiration date☐ means the latest date to which the exchange offer is extended.

In order to extend the expiration date, National will notify the exchange agent of any extension by oral (to be confirmed in writing) or written notice and will issue a public announcement of the extension, each prior to 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date.

National reserves the right, in its sole discretion:

- to delay accepting any original notes, to extend the exchange offer or to terminate the exchange offer and not accept original notes not previously accepted if any of the conditions set forth under ☐☐Conditions☐ shall have occurred and shall not have been waived by National, if permitted to be waived by National, by giving oral or written notice of such delay, extension or termination to the exchange agent, or

- to amend the terms of the exchange offer in any manner deemed by National to be advantageous to the holders of the original notes.

Any delay in acceptance, extension, termination or amendment will be followed as promptly as practicable by oral or written notice to the registered holders of original notes. If the exchange offer is amended in a manner determined by National to constitute a material change, National will promptly disclose such amendment in a manner reasonably calculated to inform the holders of the original notes of such amendment. Depending upon the significance of the amendment, National may extend the exchange offer if it otherwise would expire during such extension period.

Without limiting the manner in which National may choose to make a public announcement of any extension, amendment or termination of the exchange offer, National will not be obligated to publish, advertise, or otherwise communicate any such announcement, other than by making a timely release to an appropriate news agency and as may be required by the SEC.

### **Exchange Offer Procedures**

To tender in the exchange offer, a holder must complete, sign and date the letter of transmittal, or a facsimile thereof, have the signatures on the letter of transmittal guaranteed if required by instruction 4 of the letter of transmittal, and mail or otherwise deliver such letter of transmittal or such facsimile or an agent's