

KAPSTONE PAPER & PACKAGING CORP  
 Form 3  
 May 22, 2008

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,  
 Section 17(a) of the Public Utility Holding Company Act of 1935 or Section  
 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person * Â SHERWOOD NED L (Last) (First) (Middle)  C/O ZS CROSSOVER II GP, L.L.C.,Â 1133 AVENUE OF THE AMERICAS (Street)  NEW YORK,Â NYÂ 10036 (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) 05/19/2008	3. Issuer Name and Ticker or Trading Symbol KAPSTONE PAPER & PACKAGING CORP [KPPC]	4. Relationship of Reporting Person(s) to Issuer  (Check all applicable)  <input type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input type="checkbox"/> Officer <input type="checkbox"/> Other (give title below) (specify below)	5. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person
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**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Shares	68,072	D	Â
Common Shares	293,860	I <sup>(1)</sup>	By ZS Crossover II L.P.

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

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**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security	4. Conversion or Exercise	5. Ownership Form of	6. Nature of Indirect Beneficial Ownership
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	Date Exercisable	Expiration Date	(Instr. 4) Title	Amount or Number of Shares	Price of Derivative Security	Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	(Instr. 5)
Common Stock Warrants (right to buy)	01/01/2007	08/15/2009	Common Stock	1,110,786	\$ 5	D	Â
Common Stock Warrants (right to buy)	01/01/2007	08/15/2009	Common Stock	1,949,373	\$ 5	I <sup>(1)</sup>	By ZS Crossover II L.P.

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SHERWOOD NED L C/O ZS CROSSOVER II GP, L.L.C. 1133 AVENUE OF THE AMERICAS NEW YORK, NY 10036	Â	Â X	Â	Â

## Signatures

/s/ Ned  
Sherwood

05/22/2008

\_\_Signature of  
Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 5(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

These securities are owned by ZS Crossover II L.P. (the "Partnership"). These securities may be deemed to be beneficially owned by ZS Crossover II GP, L.L.C., the general partner of the Partnership, and Ned Sherwood, the managing member of ZS Crossover II GP, L.L.C.

- (1) The Reporting Person disclaims beneficial ownership of the reported securities except to the extent of his pecuniary interest therein, and this report shall not be deemed an admission that the Reporting Person is the beneficial owner of the securities for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or for any other purpose.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.