

KAPSTONE PAPER & PACKAGING CORP  
Form 144  
August 20, 2008

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OMB APPROVAL  
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OMB Number: 3235-0101  
Expires: December 31, 2009  
Estimated average burden hours  
per response ..... 2.00  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 144

NOTICE OF PROPOSED SALE OF SECURITIES  
PURSUANT TO RULE 144 UNDER THE SECURITIES ACT OF 1933

ATTENTION: Transmit for filing 3 copies of this form concurrently with either placing an order with a broker to execute sale or executing a sale directly with a market maker

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1(a) NAME OF ISSUER (Please type or print)

Kapstone Paper & Packaging Corp  
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1(b) IRS IDENT. NO. | (c) S.E.C. FILE NO.  
20-2699372 | 001-33494  
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1(d) ADDRESS OF ISSUER STREET

One Northfield Plaza, Suite 480 (c/o Stone-Kaplan Investments, LLC)  
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CITY STATE ZIP CODE  
Northfield, IL 60093  
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1(d) TELEPHONE

AREA CODE | NUMBER  
847 | 441-0929  
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2(a) NAME OF PERSON FOR WHOSE ACCOUNT THE SECURITIES ARE TO BE SOLD

William Harris Investors, Inc.  
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2(b) RELATIONSHIP TO ISSUER

General Partner of >10% Owner (WHI Growth Fund QP, LP)  
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2(c) ADDRESS STREET

191 North Wacker Drive, Suite 1500  
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CITY STATE ZIP CODE  
Chicago, IL 60606

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 INSTRUCTION: The person filing this notice should contact the issuer to obtain the I.R.S. Identification Number and the S.E.C. File Number.

3(a) Title of the Class of Securities to be Sold	(b) Name and Address of Each Broker Through Whom the Securities are to be Offered or Each Market Maker who is Aquiring the Securities	SEC USE ONLY Broker- Dealer File Number	(c) Number of Shares or Other Units to be Sold (See instr. 3(c))	(d) Aggregate Market Value (See instr. 3(d))	(e) Number of Shares or Other Units Outstanding (See instr. 3(e))	(f) A D ( (
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Warrant (Note 1)	Cantor Fitzgerald 222 West Adams Suite 1900 Chicago, IL 60606		700,000	\$1,694,000	40.00M	8
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 INSTRUCTIONS:

1. (a) Name of issuer
  - (b) Issuer's I.R.S. Identification Number
  - (c) Issuer's S.E.C. file number, if any
  - (d) Issuer's address, including zip code
  - (e) Issuer's telephone number, including area code
2. (a) Name of person for whose account the securities are to be sold
  - (b) Such person's relationship to the issuer (e.g., officer, director, 10% stockholder, or member of immediate family of any of the foregoing)
  - (c) Such person's address, including zip code
3. (a) Title of the class of securities to be sold
  - (b) Name and address of each broker through whom the securities are intended to be sold
  - (c) Number of shares or other units to be sold (if debt securities, give the aggregate face amount)
  - (d) Aggregate market value of the securities to be sold as of a specified date within 10 days prior to the filing of this notice
  - (e) Number of shares or other units of the class outstanding, or if debt securities the face amount thereof outstanding, as shown by the most recent report or statement published by the issuer
  - (f) Approximate date on which the securities are to be sold
  - (g) Name of each securities exchange, if any, on which the securities are intended to be sold

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 CONTROL NUMBER.

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TABLE I - SECURITIES TO BE SOLD

Furnish the following information with respect to the acquisition of the securities to be sold and with respect to the payment of all or any part of the purchase price or other consideration therefor:

Title of the Class	Date You Acquired	Nature of Acquisition	Name of Person from Whom Acquired (If gift, also give date donor acquired)	Amount of Securities Acquired	D
Warrant (Note 1)	8/16/05	IPO (Note 2)	IPO Morgan Joseph & Co, Inc 600 Fifth Avenue 15th Floor NY, NY 10020	666,667 UNITS (Note 2)	8

INSTRUCTIONS:

If the securities were purchased and full payment therefore was not made in cash at the time of purchase, explain in the table or in a note thereto the nature of the consideration given. If the consideration consisted of any note or other obligation, or if payment was made in installments describe the arrangement and state when the note or other obligation was discharged in full or the last installment paid.

TABLE II - SECURITIES SOLD DURING THE PAST 3 MONTHS

Furnish the following information as to all securities of the issuer sold during the past 3 months by the person for whose account the securities are to be sold.

Name and Address of Seller	Title of Securities Sold	Date of Sale	Amount of Securities	Gros
N/A	N/A	N/A	N/A	N/A

REMARKS:

Note 1 - Warrant to purchase one share of Common Stock par value \$0.0001 @ \$5.00 strike, expiring 8/15/09.

Note 2 - Originally purchased 666,667 UNITS of Stone Arcade Acquisition Corp. One UNIT equal to one share Common Stock and two Warrants (Note 1). Name

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changed to Kapstone Paper & Packaging Corp on 3/1/2007.

INSTRUCTIONS:

See the definition of "person" in paragraph (a) of Rule 144. Information is to be given not only as to the person for whose account the securities are to be sold but also as to sales by all persons whose sales are required by paragraph (e) of Rule 144 to be aggregated with sales for the account of the person filing this notice.

ATTENTION:

The person for whose account the securities to which this notice relates are to sold hereby represents by signing this notice that he does not know any material adverse information in regard to the current and prospective operations of the Issuer of the securities to be sold which have not been publicly disclosed.

WILLIAM HARRIS INVESTORS, INC  
General Partner of  
WHI Growth Fund QP, LP

August 20, 2008

/s/ David T. Novick, Vice President

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DATE OF NOTICE

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(SIGNATURE)

The notice shall be signed by the person for whose account the securities are to be sold. At least one copy of the notice shall be manually signed.

Any copies not manually signed shall bear typed or printed signatures.

ATTENTION: Intentional misstatements or omission of facts constitute Federal Criminal Violations (See 18 U.S.C. 1001)