

KAPSTONE PAPER & PACKAGING CORP

Form 3

May 22, 2008

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

OMB APPROVAL

OMB
Number: 3235-0104Expires: January 31,
2005Estimated average
burden hours per
response... 0.5**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 Issuer5. If Amendment, Date Original
Filed(Month/Day/Year)

(Check all applicable)

____ Director ____X____ 10% Owner
____ Officer ____ Other
(give title below) (specify below)6. Individual or Joint/Group
Filing(Check Applicable Line)
X Form filed by One Reporting
Person
____ Form filed by More than One
Reporting Person**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 ⁽¹⁾

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)

**Persons who 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.****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 Security4. Conversion
or Exercise5. Ownership
Form of6. 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 ⁽¹⁾	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.

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