

KAPSTONE PAPER & PACKAGING CORP  
Form SC 13D  
June 09, 2008

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

**SCHEDULE 13D**  
(Rule 13d-101)

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

**Under the Securities Exchange Act of 1934**  
(Amendment No.    )\*

**KapStone Paper and Packaging Corporation**

(Name of Issuer)

**Common Stock, par value \$.0001 per share**

(Title of Class of Securities)

**48562P103**

(CUSIP Number)

**Neal Aizenstein**

**Sonnenschein Nath & Rosenthal LLP**

**8000 Sears Tower**

**Chicago, Illinois 60606**

**(312) 876-8000**

(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)

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January 1, 2007

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. ☐

**Note:** Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

\* 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.

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).

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CUSIP No. 48562P103

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|-----|--|
| 1.  | Names of Reporting Persons<br>Matthew Kaplan   |
| 2.  | Check the Appropriate Box if a Member of a Group (See Instructions)<br>(a) <input type="radio"/><br>(b) <input checked="" type="radio"/> |
| 3.  | SEC Use Only   |
| 4.  | Source of Funds (See Instructions)<br>OO   |
| 5.  | Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) <input type="radio"/>                                |
| 6.  | Citizenship or Place of Organization<br>U.S.A.   |
| 7.  | Sole Voting Power<br>2,591,800 (1)   |
| 8.  | Shared Voting Power  |
| 9.  | Sole Dispositive Power<br>2,591,800 (1)  |
| 10. | Shared Dispositive Power   |
| 11. | Aggregate Amount Beneficially Owned by Each Reporting Person<br>2,591,800 (1)  |
| 12. | Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) <input type="radio"/>                               |
| 13. | Percent of Class Represented by Amount in Row (11)<br>9.8% (2)   |
| 14. | Type of Reporting Person (See Instructions)<br>IN  |

(1) Includes 1,112,500 shares of Common Stock issuable upon the exercise of warrants held by Mr. Kaplan. Also includes 750,000 shares of Common Stock held by the Matthew S. Kaplan, 2008 GRAT, UAD 02/27/08 (the GRAT ).

(2) Based on 25,283,897 shares of Common Stock outstanding as of April 30, 2008 (as reported in the Issuer's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2008) and assuming the exercise of the warrants identified in Note 1.



CUSIP No. 48562P103

1. Names of Reporting Persons  
Matthew S. Kaplan, 2008 GRAT, UAD 02/27/08  
N4952-435-8
  2. Check the Appropriate Box if a Member of a Group (See Instructions)
 

(a)	o
(b)	x
  3. SEC Use Only
  4. Source of Funds (See Instructions)  
OO
  5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)    o
  6. Citizenship or Place of Organization  
Illinois
- |     |                                   |
|-----|-----------------------------------|
| 7.  | Sole Voting Power<br>750,000      |
| 8.  | Shared Voting Power<br>750,000    |
| 9.  | Sole Dispositive Power<br>750,000 |
| 10. | Shared Dispositive Power          |
- Number of  
Shares  
Beneficially  
Owned by  
Each  
Reporting  
Person With
11. Aggregate Amount Beneficially Owned by Each Reporting Person  
750,000
  12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)    o
  13. Percent of Class Represented by Amount in Row (11)  
3.0%(1)
  14. Type of Reporting Person (See Instructions)  
CO

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(1) Based on 25,283,897 shares of Common Stock outstanding as of April 30, 2008 (as reported in the Issuer's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2008) and assuming the exercise of the warrants identified in Note 1.

**Item 1. Security and Issuer**

This statement on Schedule 13D (this Statement) relates to the Common Stock, par value \$.0001 per share (the Common Stock), of KapStone Paper and Packaging Corporation, a Delaware corporation (the Issuer or the Company), the principal executive offices of which are located at 1101 Skokie Boulevard, Suite 300, Northbrook, IL 60062. This Schedule 13D supersedes the Schedule 13G filed by Matthew Kaplan on February 17, 2006 to reflect certain subsequent transactions by Mr. Kaplan of securities of the Issuer.

**Item 2. Identity and Background**

a)-(c) This statement is being filed on behalf of (i) Matthew Kaplan and (ii) the Matthew S. Kaplan, 2008 GRAT UAD 02/27/08 (the GRAT). Mr. Kaplan and the GRAT are herein together sometimes called the Reporting Persons. The Reporting Persons may be deemed to be members of a group within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended. The filing of this Statement, however, should not be deemed an admission that the Reporting Persons comprise a group for purposes of Section 13(d)(3) or for any other purpose.

Mr. Kaplan is the President and a director of the Company and his principal business address is c/o KapStone Paper and Packaging Corporation, 1101 Skokie Boulevard, Suite 300, Northbrook, Illinois 60062. Mr. Kaplan is the trustee of the GRAT.

The GRAT is a trust. The principal address of the GRAT is 1101 Skokie Boulevard, Suite 300, Northbrook, Illinois 60062.

(d) and (e) During the last five years, neither of the Reporting Persons has been (i) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors), or (ii) a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or funding any violation with respect to such laws.

(f) Mr. Kaplan is a citizen of the United States of America.

**Item 3. Source and Amount of Funds or Other Consideration**

Mr. Kaplan used personal funds to purchase all of the shares of Common Stock and warrants to purchase Common Stock that he beneficially owns (other than an aggregate of 107,517 shares of restricted Common Stock and restricted stock units that were granted to him by the Company in connection with his service as President of the Company). The aggregate purchase price for such shares of Common Stock and warrants was approximately \$1,161,500.

The GRAT acquired its beneficial ownership of shares of Common Stock as the result of gifts of such shares from Mr. Kaplan.

**Item 4. Purpose of Transaction**

The information set forth in Items 3 and 6 is hereby incorporated by reference into this Item 4. Acquisitions of Common Stock by Mr. Kaplan were made for investment purposes and also as compensation for his service as an officer of the Issuer. Mr. Kaplan is the president of the Company and a founder of the Issuer.

Mr. Kaplan may purchase additional shares of Common Stock or warrants or similar securities from time to time, either in brokerage transactions in the over-the-counter market, in privately-negotiated transactions or upon exercise of stock options, warrants or similar securities. Mr. Kaplan holds stock options to acquire additional shares of Common Stock granted to him as compensation for his service to the Company. Mr. Kaplan may, from time to time, exercise such options or be granted additional stock options or other equity awards by the Company in connection with such service. Any decision to increase his holdings of Common Stock will depend on various factors, including, but not limited to, the price of the shares of Common Stock, the terms and conditions of the transaction and prevailing market conditions. The GRAT may acquire beneficial ownership of additional shares of Common Stock from time to time in connection with any future gifts by Mr. Kaplan.

Each Reporting Person also may, at any time, subject to compliance with applicable securities laws, dispose of some or all of their Common Stock depending on various factors, including, but not limited to, the price of the shares of Common Stock, the terms and conditions of the transaction and prevailing market conditions, as well as liquidity and diversification objectives. In addition, Mr. Kaplan expects to make gifts (which may include gifts to the GRAT and other charities) of Common Stock from time to time.

The Reporting Persons intend to participate in and influence the affairs of the Issuer through the exercise of their voting rights with respect to their shares of Common Stock. In addition, Mr. Kaplan is the president of the Issuer and, as a result, in the ordinary course or otherwise, may take actions to influence the management, business, and affairs of the Issuer.

Neither Reporting Person, as a stockholder of the Company, has any plan or proposal other than as described herein that relates to or would result in any of the transactions or other matters specified in clauses (a) through (j) of Item 4 of Schedule 13D. Each Reporting Person may, at any time and from time to time, review or reconsider his position and/or change his purpose and/or formulate plans or proposals with respect thereto. Notwithstanding the foregoing, Mr. Kaplan, in his positions as the Company's president, intends to approve such matters and take such actions as he deems to be in the best interests of the Company, which matters and actions could potentially involve items referenced in the first sentence of this paragraph.

**Item 5. Interest in Securities of the Issuer**

(a)-(b) Based on 25,283,897 shares of Common Stock outstanding as of April 30, 2008, as reported in the Issuer's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2008 filed with the SEC on May 5, 2008, the shares of Common Stock owned by Mr. Kaplan represent approximately 9.8% of the outstanding Common Stock. This total includes 1,112,500 shares of Common Stock issuable upon the exercise of warrants held by Mr. Kaplan. This total also includes the 750,000 shares of Common Stock held by the GRAT.

Except for the shares of Common Stock beneficially owned by the Reporting Persons, as of the date hereof, disclosed in this Statement, neither of the Reporting Persons, owns any Common Stock of the Issuer or has any right to acquire, directly or indirectly, any beneficial ownership of other Common Stock of the Issuer.

Other than as set forth below, each of the Reporting Persons has not made any purchase, sale or any other transaction in the Common Stock during the 60 days preceding the filing of this Schedule 13D.

Mr. Kaplan made the following donation transfers to the GRAT:

Date	Number of Shares of Common Stock
March 14, 2008	750,000

Pursuant to the terms of the GRAT's organizational documents, actions with respect to the Common Stock held by the GRAT, including the exercise of voting rights and any action to sell, option, exchange or otherwise dispose of the shares, require the approval of Mr. Kaplan.

(d) As to each Reporting Person, no person other than the Reporting Person has the right to receive or the power to direct the receipt of dividends from or the proceeds from the sale of, any of the shares referred to in Item 5(a) above.

(e) Not applicable.

**Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer**

Other than as described in Items 3 and 4 of this Statement and herein (and the Joint Filing Agreement filed as an Exhibit to this Statement), there are no contracts, arrangements or understandings between the Reporting Persons or between either of the Reporting Persons and any other person with respect to any securities of the Issuer, including, but not limited to, transfer or voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies, and the Reporting Person has not pledged securities of the Issuer nor are the securities of the Issuer held by the Reporting Person subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities.

The warrants described herein were initially issued in connection with the Issuer's initial public offering and are traded on the Nasdaq. The warrant agreement and related documentation relating to the warrants referenced herein are filed as exhibits to the Issuer's Annual Report on Form 10-K. Each warrant described herein entitles the holder to purchase one share of Common Stock at an exercise price of \$5.00 per share (subject to adjustment in certain circumstances). Subject to there being a current prospectus under the Securities Act of 1933 with respect to the shares of Common Stock issuable upon exercise of the warrants issued as a part of the units in the Issuer's initial public offering, during the entire period between any notice of redemption and the actual redemption date, the Issuer may redeem the warrants at any time after the warrants become exercisable, in whole and not in part, at a price of \$.01 per warrant, upon a minimum of 30 days prior written notice of redemption, if and only if, the last sales price of Common Stock equals or exceeds \$8.50 per share for any 20 trading days within a 30 trading day period ending three business days before the notice of redemption is sent. Notice of redemption of the warrants by the Issuer could force the warrant holders, including the Reporting Persons, (i) to exercise the warrants and pay the exercise price therefore at a time when they otherwise might not desire to do so, (ii) to sell the warrants at the then current market price, or (iii) to accept the nominal redemption price. As of the date hereof, the Issuer has an effective registration statement covering the issuance of the shares underlying the warrants issued in its initial public offering at the time that the warrant holders exercise their warrants. However, the Issuer provides no assurance that such registration statement will continue to be effective, in which case the warrant holders, including the Reporting Persons, may not be able to exercise their warrants.

Mr. Kaplan has been granted non-qualified stock options, restricted stock and restricted stock units pursuant to Issuer's equity incentive plan. As of the date hereof, Mr. Kaplan has: (a) 159,650 options, all of which are scheduled to vest in accordance with their respective terms between April 5, 2009 and April 5, 2010 at an exercise price of \$6.76 per share; and (b) 167,671 options, all of which are scheduled



to vest in accordance with their respective terms between April 10, 2010 and April 10, 2011 at an exercise price of \$6.90 per share. Mr. Kaplan has: (a) 54,300 shares of restricted stock with restrictions that are scheduled to lapse on April 5, 2010; and (b) 53,217 restricted stock units with restrictions that are scheduled to lapse on April 10, 2011.

**Item 7.**

**Material to be Filed as Exhibits**

See Exhibit Index appearing elsewhere herein, which is incorporated herein by reference.

**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Pursuant to Rule 13d-1(k)(1)(iii) of Regulation 13D-G of the General Rules and Regulations of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, the undersigned agree that the attached statement is filed on behalf of each of them.

Date: June 9, 2008

/s/Matthew Kaplan  
Matthew Kaplan

MATTHEW KAPLAN, 2008 GRAT UAD  
02/27/08

By:	/s/Matthew Kaplan
Name:	Matthew Kaplan
Title:	Trustee

**EXHIBIT INDEX**

<b>Number</b>	<b>Description</b>
1	Joint Filing Agreement dates as of June 2, 2008, by and between Matthew Kaplan and Matthew S. Kaplan, 2008 GRAT UAD 02/27/08

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