

Chapman John
Form 4
March 07, 2011

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN 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 *
Chapman John

2. Issuer Name and Ticker or Trading Symbol
KAPSTONE PAPER & PACKAGING CORP [KS]

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)

(Last) (First) (Middle)
62 LASALLE ROAD
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
03/03/2011

Director 10% Owner
 Officer (give title below) Other (specify below)

WEST HARTFORD, CT 06107
(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) Price | | | |
| Common Stock | 03/03/2011 | | A | V 1,505 (1) | (2) 497,634 | D | |

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

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Filing Date |
|--|--|--------------------------------------|--|--------------------------------|--|--|---|----------------|
| Stock Option (Right to Buy) ⁽³⁾ | \$ 6.64 | 03/03/2011 | | A | 3,763 | (4) 03/03/2021 | Common Stock | |

| | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
|--|--|------|---|-----|-----|------------------|-----------------|--------------|----------------------------|
| Stock Option (Right to Buy) ⁽³⁾ | | A | | | | (4) | 03/03/2021 | Common Stock | 3,763 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Chapman John 62 LASALLE ROAD WEST HARTFORD, CT 06107 | X | | | |

Signatures

Andrea K. Tarbox by Power of Attorney 03/07/2011

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(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).
- (1) The restricted stock units vest in their entirety on the third anniversary of the grant date.
 - (2) Each restricted stock unit represents a contingent right to receive one share of Kapstone common stock.
 - (3) Represents options granted pursuant to Kapstone Paper and Packaging Amended and Restated 2006 Incentive Plan.
 - (4) The options vest 50% on the second anniversary of the grant date and 50% on the third anniversary of the grant date.
- 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.