

KAPSTONE PAPER & PACKAGING CORP  
Form SC 13G  
May 17, 2007

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

SCHEDULE 13G  
(RULE 13D-102)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT  
TO RULES 13D-1(B), (C), AND (D) AND AMENDMENTS THERETO FILED  
PURSUANT TO RULE 13D-2

Kapstone Paper and Packaging Corporation

(Name of Issuer)

Common Stock, \$0.001 par value per share

(Title of Class of Securities)

48562P 10 3

(CUSIP Number)

May 11, 2007

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule  
is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

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1 NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Locust Wood Capital Advisers, LLC

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2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) [ ] (b) [X]

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Locust Wood Capital Advisers, LLC is a Delaware limited liability company

5 SOLE VOTING POWER 1,337,000\*
6 SHARED VOTING POWER 0
7 SOLE DISPOSITIVE POWER 1,337,000\*
8 SHARED DISPOSITIVE POWER 0

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 1,337,000\*

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES [ ]

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9 EXCLUDES CERTAIN SHARES 5.4% of aggregate voting power

12 TYPE OF REPORTING PERSON IA

\* Includes 493,000 shares of common stock issuable upon exercise of warrants.

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1 NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY) Stephen Errico\*\*

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) [ ] (b) [X]

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3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

USA

5 SOLE VOTING POWER

NUMBER OF SHARES 1,337,000\*

BENEFICIALLY OWNED BY EACH REPORTING PERSON 6 SHARED VOTING POWER

0

7 SOLE DISPOSITIVE POWER

1,337,000\*

8 SHARED DISPOSITIVE POWER

0

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,337,000\*

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES  
[ ]

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9 EXCLUDES CERTAIN SHARES

5.4% of aggregate voting power

12 TYPE OF REPORTING PERSON

IN

\* Includes 493,000 shares of common stock issuable upon exercise of warrants.

\*\* Mr. Errico is the managing member and sole beneficial owner of Locust Wood Advisers, LLC.

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ITEM 1(A). NAME OF ISSUER:

Kapstone Paper and Packaging Corporation

ITEM 1(B). ADDRESS OF ISSUER'S PRINCIPAL EXECUTIVE OFFICES:

c/o Stone-Kaplan Investments, LLC  
One Northfield Plaza, Suite 480  
Northfield, Illinois, 60093

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ITEM 1(C). NAME OF PERSON FILING:

Locust Wood Advisers, LLC and Stephen Errico. Mr. Errico is the managing member and sole beneficial owner of Locust Wood Advisers, LLC.

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ITEM 1(D). ADDRESS OF PRINCIPAL BUSINESS OFFICE OR, IF NONE, RESIDENCE:

1540 Broadway, Suite 1504  
New York, New York 10036

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ITEM 1(E). CITIZENSHIP:

Locust Wood Capital Advisers, LLC is a Delaware limited liability company; Stephen Errico is a United States citizen.

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ITEM 1(F). TITLE OF CLASS OF SECURITIES:

Common Stock

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ITEM 1(G). CUSIP NUMBER:

48562P 10 3

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ITEM 2. IF THIS STATEMENT IS FILED PURSUANT TO RULE 13D-1(B), OR 13D-2(B) OR (C), CHECK WHETHER THE PERSON FILING IS A:

Not applicable.

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ITEM 3. OWNERSHIP.

(a) Amount beneficially owned:

1,337,000\*

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(b) Percent of class:

5.4% of aggregate voting power as of May 11, 2007

(c) Number of shares as to which such person has:

(i) Sole power to vote or to direct the vote:

1,337,000\*

(ii) Shared power to vote or to direct the vote: 0

(iii) Sole power to dispose or to direct the disposition of:

1,337,000\*

(iv) Shared power to dispose or to direct the disposition of: 0

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\* Includes 493,000 shares of common stock issuable upon exercise of warrants.

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ITEM 4. OWNERSHIP OF FIVE PERCENT OR LESS OF A CLASS.

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following [ ].

ITEM 5. OWNERSHIP OF MORE THAN FIVE PERCENT ON BEHALF OF ANOTHER PERSON.

Locust Wood Capital Advisers, LLC represents two investment funds and five managed accounts that, to the extent they own the shares described in Item 4 above, would receive proceeds from the sale of the securities.

ITEM 6. IDENTIFICATION AND CLASSIFICATION OF THE SUBSIDIARY WHICH ACQUIRED THE SECURITY BEING REPORTED ON BY THE PARENT HOLDING COMPANY.

Not Applicable.

ITEM 7. IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF THE GROUP.

Not Applicable.

ITEM 8. NOTICE OF DISSOLUTION OF GROUP.

Not Applicable.

ITEM 9. CERTIFICATION.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are

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not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

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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.

May 17, 2007

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(Date)

LOCUST WOOD ADVISERS, LLC

By: /s/ Stephen Errico

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Name: Stephen Errico  
Title: Managing Member

/s/ Stephen Errico

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Stephen Errico