Keneally Timothy P Form 4 December 03, 2010

FORM 4

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

OMB APPROVAL OMB 3235-0287 Number:

Check this box if no longer subject to

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

January 31, Expires: 2005 Estimated average

0.5

Section 16. Form 4 or Form 5 obligations

SECURITIES Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,

burden hours per response...

Form filed by More than One Reporting

Person

may continue. See Instruction

Section 17(a) of the Public Utility Holding Company Act of 1935 or Section

30(h) of the Investment Company Act of 1940

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person ** Keneally Timothy P			2. Issuer Name and Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer			
			KAPSTONE PAPER & PACKAGING CORP [KS]	(Check all applicable)			
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year)	Director 10% OwnerX_ Officer (give title Other (specify below)			
1101 SKOKIE BLVD., SUITE 300			12/02/2010	Vice President			
(Street)			4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check			
			Filed(Month/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person			

NORTHBROOK, IL 60062

(City)	(State)	(Zip) 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. 4. Securitie Transactior(A) or Disp Code (Instr. 3, 4 (Instr. 8)			of (D)	5. Amount of Securities Beneficially Owned Following Reported	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
			Code V	Amount	(A) or (D)	Price	Transaction(s) (Instr. 3 and 4)			
Common	12/02/2010		M	24,000 (1)	A	\$ 6.76	46,672	D		
Common	12/02/2010		S	200	D	\$ 15.04	46,472	D		
Common	12/02/2010		S	666	D	\$ 15.03	45,806	D		
Common	12/02/2010		S	8,800	D	\$ 15.02	37,006	D		
Common	12/02/2010		S	6,530	D	\$ 15.01	30,476	D		

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Common 12/02/2010 S 7,804 D \$ 15 22,672 D

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

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9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	4. Transacti Code (Instr. 8)	5. orNumber of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		ate	7. Title Amoun Underly Securiti (Instr. 3	t of ying es	8. Price of Derivative Security (Instr. 5)
			Code V	(A) (D)	Date Exercisable	Expiration Date	Title 1	Amount or Number of Shares	

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Keneally Timothy P 1101 SKOKIE BLVD. SUITE 300 NORTHBROOK, IL 60062

Vice President

Signatures

Timothy P. Keneally by Power of Attorney

12/03/2010

**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) Shares acquired pursuant to the exercise of an Option granted 4/5/07. Vesting schedule: options exercisable 4/5/2009 28,825; options exercisable 4/5/2010 28,825

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.

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