

KAPSTONE PAPER & PACKAGING CORP
Form 8-K
June 11, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

June 10, 2013

Date of Report (Date of earliest event reported)

KapStone Paper and Packaging Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-33494
(Commission
File Number)

20-2699372
(IRS Employer
Identification No.)

1101 Skokie Boulevard, Suite 300 Northbrook, Illinois 60062

(Address of principal executive offices)

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(847) 239-8800

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01

Entry into a Material Definitive Agreement.

On June 10, 2013, KapStone Kraft Paper Corporation (KapStone), a wholly owned subsidiary of KapStone Paper and Packaging Corporation (Parent) entered into a Stock Purchase Agreement (the Agreement) with Longview Fibre Paper and Packaging, Inc. (Longview), its security holders Brookfield Capital Partners II (NR) L.P., Brookfield Capital Partners II (PC) L.P. and Brookfield Capital Partners II L.P. (collectively, the Sellers), all of which are investment funds affiliated with Brookfield Asset Management, a Canadian asset management company, and Parent, as guarantor. Pursuant to the Agreement, KapStone will purchase all of the issued and outstanding shares of Longview s common stock (the Acquisition). Longview is a privately-held corporation which operates a containerboard and kraft paper mill in Longview, Washington and seven converting facilities across the western United States.

KapStone will pay an aggregate cash purchase price of approximately \$1,025,000,000, subject to an adjustment based on net working capital of Longview at closing. The aggregate cash purchase price will be adjusted dollar for dollar for indebtedness outstanding at closing, certain bonuses and other unpaid transaction expenses of Longview and increased dollar for dollar by cash on hand at closing. A portion of the aggregate cash purchase price will be placed into escrow to fund certain limited indemnity obligations of the Sellers.

Consummation of the Acquisition, which is expected to close in the third quarter of 2013, is subject to various conditions, including, among others, (1) the absence of legal impediments, (2) the waiver or expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, the Federal Energy Regulatory Commission and any other necessary regulatory approvals under non-U.S. competition statutes, and (3) the absence of a material adverse effect on Longview during the period between the date of the Agreement and the closing.

KapStone has received financing commitments from Bank of America, N.A., Barclays Bank PLC and Wells Fargo Bank, National Association to provide sufficient funds to finance the Acquisition, including the payment of the aggregate purchase price. The availability of financing pursuant to such commitments is subject to various customary conditions, including no material adverse change and the consummation of the Acquisition.

The Agreement contains customary representations, warranties and covenants made by each of the parties thereto. Longview has agreed, among other things, to continue to run its business in the ordinary course during the period between the date of the Agreement and the closing, and that it shall not solicit alternative transactions or enter into any discussions concerning any alternative transaction. The Agreement also contains covenants and closing conditions relating to the execution and delivery of an escrow agreement to hold funds for the indemnity obligations of the Sellers and the working capital adjustment. The Agreement also provides that KapStone, on the one hand, and the Sellers, of the other hand, are obligated, subject to certain significant limitations (including applicable deductibles amounts, maximum dollar amounts and limited time periods), to indemnify each other under the Agreement for certain matters specified in the Agreement.

The Agreement is a contractual document that establishes and governs the legal relations between the parties thereto with respect to the transactions described in this Current Report on Form 8-K. The Agreement is not intended to be a source of factual, business or operational information about any of the parties thereto. The representations, warranties, covenants and agreements made by the parties in the Agreement were made solely for the benefit of the parties thereto and (1) were not intended to be treated as statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate, (2) may have been qualified in the Agreement by disclosures that were made by the other party in connection with the negotiation of the Agreement, (3) may apply contract standards of materiality that are significantly different from materiality under the applicable securities laws or common usage of such term, and (4) were made only as of the date of the Agreement or such other date or dates as may be specified in the Agreement. Accordingly, you should not rely on the representations and warranties contained in the Agreement as statements of factual information or for any other purpose.

The foregoing description of the Agreement does not purport to describe all of the terms of such agreement and is qualified in its entirety by reference to the full text of the Agreement, a copy of which is filed as Exhibit 2.1 to this Current Report on Form 8-K and is incorporated by reference therein

Item 7.01 Regulation FD Disclosure

On June 11, 2013, the management of KapStone will participate in a conference call discussing the Agreement. A copy of the presentation materials used in the call is furnished as Exhibit 99.2 of this report.

Item 8.01 Other Events

On June 10, 2013, Parent issued a press release, a copy of which is attached hereto as Exhibit 99.1 and is incorporated by reference, announcing the execution of the Agreement.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

2.1* Stock Purchase Agreement dated as of June 10, 2013, by and among KapStone Kraft Paper Corporation, Longview Fibre Paper and Packaging, Inc., Brookfield Capital Partners II (NR) L.P., Brookfield Capital Partners II (PC) L.P., Brookfield Capital Partners II L.P. and KapStone Paper and Packaging Corporation.

99.1 Press release of KapStone Paper and Packaging Corporation, dated June 10, 2013

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99.2 Presentation Materials of KapStone Paper and Packaging Corporation, dated June 11, 2013

* Certain schedules and exhibits have been omitted pursuant to Item 601 (b)(2) of Regulation S-K. The registrant agrees to furnish supplementally a copy of any such omitted schedule and exhibit to the Securities and Exchange Commission upon request

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: June 11, 2013

KAPSTONE PAPER AND PACKAGING CORPORATION

By:	/s/ Andrea K. Tarbox
Name:	Andrea K. Tarbox
Title:	Vice President and Chief Financial Officer

EXHIBIT INDEX

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