

Tarbox Andrea K
Form 4
June 01, 2010

FORM 4

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

OMB APPROVAL

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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 *
Tarbox Andrea K

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
1101 SKOKIE BLVD., SUITE 300

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
05/27/2010

____ Director
 Officer (give title below) _____ Other (specify below)
Vice President & CFO

NORTHBROOK, IL 60062

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

(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. 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) Amount (D) Price | | | |
| Common Stock | 05/27/2010 ⁽¹⁾ | | A | 12,764 A ⁽²⁾ | 29,091 ⁽³⁾ | D | |

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

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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 Acquired (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) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Stock Option (Right to Buy) ⁽⁴⁾ | \$ 11.36 | 05/27/2010 | | A | 34,498 | ⁽⁵⁾ 05/27/2020 | Common Stock | 34,498 |
| Stock Option (Right to Buy) ⁽⁴⁾ | \$ 6.76 | | | | | 04/05/2009 ⁽⁵⁾ 04/05/2014 | Common Stock | 57,650 |
| Stock Option (Right to Buy) ⁽⁴⁾ | \$ 6.9 | | | | | 04/10/2010 ⁽⁵⁾ 04/10/2018 | Common Stock | 60,540 |
| Stock Option (Right to Buy) ⁽⁴⁾ | \$ 3.7 | | | | | 05/13/2011 ⁽⁵⁾ 05/13/2019 | Common Stock | 60,540 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|----------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Tarbox Andrea K 1101 SKOKIE BLVD. SUITE 300 NORTHBROOK, IL 60062 | | | Vice President & CFO | |

Signatures

By: /s/ Andrea Tarbox as Attorney-in-Fact 06/01/2010

__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) The restricted stock units vest in their entirety on the third anniversary of the grant date.

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- (2) Each restricted stock unit represents a contingent right to receive one share of Kapstone common stock.
- (3) Does not include number of restricted stock units acquired in 2008 and 2009.
- (4) Represents options granted pursuant to the Kapstone Paper and Packaging 2006 Incentive Plan.
- (5) 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.

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