

KAPSTONE PAPER & PACKAGING CORP  
 Form 4  
 December 19, 2012

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
**GIDWITZ RONALD J**

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)  
**325 NORTH WELLS ST**  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
**12/04/2012**

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

**CHICAGO, IL 60610**

(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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	12/04/2012		M		22,831 A \$ 3.7	47,874	D
Common Stock	12/04/2012		M		2,974 A \$ 11.36	50,821	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)

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 Security (Instr. 3 and 4)	8. Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (Right to Buy) <sup>(1)</sup>	\$ 3.7	12/04/2012		M	22,831	05/13/2011 05/13/2019	Common Stock	22,831	
Stock Option (Right to Buy) <sup>(2)</sup>	\$ 11.36	12/04/2012		M	2,974	05/27/2012 05/27/2020	Common Stock	2,974	

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GIDWITZ RONALD J 325 NORTH WELLS ST CHICAGO, IL 60610		X		

## Signatures

Andrea K. Tarbox by Power of Attorney  
12/19/2012

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 options granted 05/13/2009. Vesting schedule: options exercisable 5/13/2011 - 11,415; options exercisable 05/13/2012 - 11,416.

(2) Shares acquired pursuant to the exercise of options granted 05/27/2010. Vesting schedule: options exercisable 05/27/2012 - 2,974; options exercisable 05/27/2013 - 2,974.

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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