

KAPSTONE PAPER & PACKAGING CORP

Form 4

October 29, 2008

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *

ELM RIDGE CAPITAL
MANAGEMENT LLC

(Last) (First) (Middle)

3 WEST MAIN STREET, 3RD
FLOOR

(Street)

IRVINGTON, NY 10533

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading

Symbol

KAPSTONE PAPER &
PACKAGING CORP [KPPC]5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

3. Date of Earliest Transaction

(Month/Day/Year)

10/27/2008

____ Director

____ Officer (give title
below)

__X__ 10% Owner

____ Other (specify
below)

4. If Amendment, Date Original

Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check
Applicable Line)

____ Form filed by One Reporting Person

__X__ 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	(A) or (D) Price			
Common Stock	10/27/2008		P		17,500	A \$ 4.6469	2,133,227	I	Footnote (1)
Common Stock	10/28/2008		P		49,707	A \$ 4.6458	2,182,934	I	Footnote (1)

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

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information contained in this form are not
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SEC 1474
(9-02)

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)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Following Transaction (Instr. 6)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title or Number of Shares

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

X

X

Elm Ridge Capital Management(+), By: /s/ Ronald E. Gutfleish

10/29/2008

 **Signature of Reporting Person

Date _____

/s/ Ronald E. Gutfleish(+)

10/29/2008

 **Signature of Reporting Person

Date _____

* 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) Ronald Gutfleish is the managing member of two limited liability companies, which each manage one or more private investment funds that hold the Issuer's shares. The Reporting Persons disclaim beneficial ownership of these shares except to the extent of their pecuniary interest therein. This report shall not be deemed an admission that the Reporting Person is the beneficial owner of the reported securities for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or for any other purpose.

Remarks:

(+) Each of the Reporting Persons disclaim beneficial ownership of the reported securities except to the extent of its or his

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pecuniary interest therein and this report shall not be deemed an admission that such Reporting Person is the beneficial owner of the securities for purposes of Section 16 of the Securities Exchange Act of 1934, as amended or for any other purpose. The Reporting Persons affirmatively disclaim being a "group" for purposes of Section 16 of the Securities Exchange Act of 1934, as amended.

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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