

KAPSTONE PAPER & PACKAGING CORP  
Form SC 13G/A  
May 22, 2008

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934  
(Amendment No. 1)\*

Kapstone Paper and Packaging Corporation  
(Name of Issuer)

Common Stock, \$.0001 par value per share  
(Title of Class of Securities)

48562P103  
(CUSIP Number)

May 19, 2008  
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

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\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).



CUSIP No 48562P103

1. NAME OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Ned Sherwood

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)   
(b)

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

United States

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

5. SOLE VOTING POWER

1,178,858

6. SHARED VOTING POWER

2,243,233

7. SOLE DISPOSITIVE POWER

1,178,858

8. SHARED DISPOSITIVE POWER

2,243,233

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

3,422,091

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES  
CERTAIN SHARES

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

12.1%

12. TYPE OF REPORTING PERSON

IN

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CUSIP No 48562P103

1. NAME OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)  
  
ZS Crossover II GP, L.L.C.
  2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP  
  
(a)   
(b)
  3. SEC USE ONLY
  4. CITIZENSHIP OR PLACE OF ORGANIZATION  
  
Delaware
- NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH
5. SOLE VOTING POWER  
  
0
  6. SHARED VOTING POWER  
  
2,243,233
  7. SOLE DISPOSITIVE POWER  
  
0
  8. SHARED DISPOSITIVE POWER  
  
2,243,233
  9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
  
2,243,233
  10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES  
CERTAIN SHARES
  11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)  
  
8.2%

12. TYPE OF REPORTING PERSON

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CUSIP No 48562P103

1. NAME OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)  
  
ZS Crossover II L.P.
  2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP  
  
(a)   
(b)
  3. SEC USE ONLY
  4. CITIZENSHIP OR PLACE OF ORGANIZATION  
  
Delaware
- NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH
5. SOLE VOTING POWER  
  
0
  6. SHARED VOTING POWER  
  
2,243,233
  7. SOLE DISPOSITIVE POWER  
  
0
  8. SHARED DISPOSITIVE POWER  
  
2,243,233
  9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
  
2,243,233
  10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES  
CERTAIN SHARES
  11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)  
  
8.2%

12. TYPE OF REPORTING PERSON

PN

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CUSIP No 48562P103

Item 1. (a). Name of Issuer:

Kapstone Paper and Packaging Corporation

(b). Address of Issuer's Principal Executive Offices:

Kapstone Paper and Packaging Corporation  
1101 Skokie Boulevard, Suite 300  
Northbrook, Illinois 60062

Item 2. (a). Name of Person Filing:

Ned Sherwood  
ZS Crossover II GP, L.L.C.  
ZS Crossover II L.P.

(b). Address of Principal Business Office, or if None, Residence:

Ned Sherwood  
c/o ZS Crossover II GP, L.L.C.  
1133 Avenue of the Americas  
New York, New York 10036  
United States of America

ZS Crossover II GP, L.L.C.  
1133 Avenue of the Americas  
New York, New York 10036  
United States of America

ZS Crossover II L.P.  
1133 Avenue of the Americas  
New York, New York 10036  
United States of America

(c). Citizenship:

Ned Sherwood - United States of America  
ZS Crossover II GP, L.L.C. - Delaware  
ZS Crossover II L.P. - Delaware

(d). Title of Class of Securities:

Common Stock, \$.0001 par value per share

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(e). CUSIP Number:

48562P103

Item 3. If This Statement is filed pursuant to ss.240.13d-1(b) or 240.13d-2(b), or (c), check whether the person filing is a

- (a)  Broker or dealer registered under Section 15 of the Exchange Act (15 U.S.C. 78c).
- (b)  Bank as defined in Section 3(a)(6) of the Exchange Act (15 U.S.C. 78c).
- (c)  Insurance company as defined in Section 3(a)(19) of the Exchange Act (15 U.S.C. 78c).
- (d)  Investment company registered under Section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
- (e)  An investment adviser in accordance with § 240.13d-1(b)(1)(ii)(E);
- (f)  An employee benefit plan or endowment fund in accordance with § 240.13d-1(b)(1)(ii)(F);
- (g)  A parent holding company or control person in accordance with Rule 13d-1(b)(1)(ii)(G);
- (h)  A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C.1813);
- (i)  A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j)  Group, in accordance with s.240.13d-1(b)(1)(ii)(J).

Item 4. Ownership.

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

(a) Amount beneficially owned:

Ned Sherwood – 3,422,091  
ZS Crossover II GP, L.L.C. – 2,243,233  
ZS Crossover II L.P. - 2,243,233

(b) Percent of class:

Ned Sherwood – 12.1%

ZS Crossover II GP, L.L.C. – 8.2%

ZS Crossover II L.P. – 8.2%

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(c) Number of shares as to which the person has:

(i) Sole power to vote or to direct the vote

Ned Sherwood – 1,178,858  
ZS Crossover II GP, L.L.C. – 0  
ZS Crossover II L.P. - 0

(ii) Shared power to vote or to direct the vote

Ned Sherwood – 2,243,233  
ZS Crossover II GP, L.L.C. – 2,243,233  
ZS Crossover II L.P. - 2,243,233

(iii) Sole power to dispose or to direct the disposition of

Ned Sherwood – 1,178,858  
ZS Crossover II GP, L.L.C. – 0  
ZS Crossover II L.P. - 0

(iv) Shared power to dispose or to direct the disposition of

Ned Sherwood – 2,243,233  
ZS Crossover II GP, L.L.C. – 2,243,233  
ZS Crossover II L.P. - 2,243,233

Item 5. Ownership of Five Percent or Less of a Class.

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following [  ].

Item 6. Ownership of More Than Five Percent on Behalf of Another Person.

If any other person is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, such securities, a statement to that effect should be included in response to this item and, if such interest relates to more than five percent of the class, such person should be identified. A listing of the shareholders of an investment company registered under the Investment Company Act of 1940 or the beneficiaries of employee benefit plan, pension fund or endowment fund is not required.

Not applicable



Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company.

If a parent holding company has filed this schedule, pursuant to Rule 13d-1(b)(1)(ii)(G), so indicate under Item 3(g) and attach an exhibit stating the identity and the Item 3 classification of the relevant subsidiary. If a parent holding company has filed this schedule pursuant to Rule 13d-1(c) or Rule 13d-1(d), attach an exhibit stating the identification of the relevant subsidiary.

Not applicable

Item 8. Identification and Classification of Members of the Group.

If a group has filed this schedule pursuant to §240.13d-1(b)(1)(ii)(J), so indicate under Item 3(j) and attach an exhibit stating the identity and Item 3 classification of each member of the group. If a group has filed this schedule pursuant to §240.13d-1(c) or §240.13d-1(d), attach an exhibit stating the identity of each member of the group.

Not applicable

Item 9. Notice of Dissolution of Group.

Notice of dissolution of a group may be furnished as an exhibit stating the date of the dissolution and that all further filings with respect to transactions in the security reported on will be filed, if required, by members of the group, in their individual capacity. See Item 5.

Not applicable

Item 10. Certification.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

/s/ Ned Sherwood (1)  
Name: Ned Sherwood  
Date: May 22, 2008

ZS Crossover II GP, L.L.C (1)

By: /s/ Ned Sherwood  
Name: Ned Sherwood  
Title: Management Committee Member  
Date: May 22, 2008

ZS Crossover II L.P. (1)

By: ZS Crossover II GP, L.L.C.  
Its General Partner

By: /s/ Ned Sherwood  
Name: Ned Sherwood  
Title: Management Committee Member  
Date: May 22, 2008

- (1) The Reporting Persons specifically disclaim beneficial ownership of the securities reported herein except to the extent of their pecuniary interest therein.
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AGREEMENT

The undersigned agree that this Schedule 13G dated May 22, 2008 relating to the Common Stock, \$.0001 par value per share, of Kapstone Paper and Packaging Corporation shall be filed on behalf of the undersigned.

/s/ Ned Sherwood  
Name: Ned Sherwood  
Date: May 22, 2008

ZS Crossover II GP, L.L.C

By: /s/ Ned Sherwood  
Name: Ned Sherwood  
Title: Management Committee Member  
Date: May 22, 2008

ZS Crossover II L.P.

By: ZS Crossover II GP, L.L.C.  
Its General Partner

By: /s/ Ned Sherwood  
Name: Ned Sherwood  
Title: Management Committee Member  
Date: May 22, 2008

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