

KAPSTONE PAPER & PACKAGING CORP  
Form SC 13G  
February 16, 2007

UNITED STATES

OMB APPROVAL

SECURITIES AND EXCHANGE COMMISSION

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SCHEDULE 13G

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

KapStone Paper and Packaging Corporation

—

(Name of Issuer)

Common Stock

—

(Title of Class of Securities)

861575108

—

(CUSIP Number)

January 1, 2007

—

(Date of Event Which Requires Filing of this Statement)

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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)

\* 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).

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

—

1. Names of Reporting Persons.  
I.R.S. Identification Nos. of above persons (entities only).

**Jonathan M. Glaser**

—

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)     

(b)   **X**  

3. SEC Use Only \_\_\_\_\_

4. Citizenship or Place of Organization **U.S.A.**

Number of 5. Sole Voting Power **0**

Shares 6. Shared Voting Power **3,727,500**  
Beneficially 7. Sole Dispositive Power **0**  
Owned by 8. Shared Dispositive Power **3,727,500**  
Each Reporting  
Person With:

9. Aggregate Amount Beneficially Owned by Each Reporting Person **3,727,500**

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) \_\_\_\_\_

11. Percent of Class Represented by Amount in Row (9) **13.0%**

12. Type of Reporting Person (See Instructions) **IN, HC**

1. Names of Reporting Persons.  
I.R.S. Identification Nos. of above persons (entities only).

**JMG Capital Management, Inc.**

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

3. SEC Use Only \_\_\_\_\_

4. Citizenship or Place of Organization **California**

Number of  
Shares  
Beneficially  
Owned by  
Each Reporting  
Person With:

5. Sole Voting Power **0**

6. Shared Voting Power **1,863,750**

7. Sole Dispositive Power **0**

8. Shared Dispositive Power **1,863,750**

9. Aggregate Amount Beneficially Owned by Each Reporting Person **1,863,750**

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) \_\_\_\_\_

11. Percent of Class Represented by Amount in Row (9) **6.9%**

12. Type of Reporting Person (See Instructions) **CO, HC**

1. Names of Reporting Persons.  
I.R.S. Identification Nos. of above persons (entities only).

**JMG Capital Management, LLC**

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) \_\_\_\_\_

(b) **X**

3. SEC Use Only \_\_\_\_\_

4. Citizenship or Place of Organization **Delaware**

|                |                             |                  |
|----------------|-----------------------------|------------------|
| Number of      | 5. Sole Voting Power        | <b>0</b>         |
| Shares         | 6. Shared Voting Power      | <b>1,863,750</b> |
| Beneficially   | 7. Sole Dispositive Power   | <b>0</b>         |
| Owned by       | 8. Shared Dispositive Power | <b>1,863,750</b> |
| Each Reporting |                             |                  |
| Person With:   |                             |                  |

9. Aggregate Amount Beneficially Owned by Each Reporting Person **1,863,750**

—

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) \_\_\_\_\_

—

11. Percent of Class Represented by Amount in Row (9) **6.9%**

—

12. Type of Reporting Person (See Instructions) **OO, IA**

—

—

1. Names of Reporting Persons.  
I.R.S. Identification Nos. of above persons (entities only).

**Daniel Albert David**

—  
2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)    

(b)   **X**  

3. SEC Use Only \_\_\_\_\_

4. Citizenship or Place of Organization **U.S.A.**

Number of

5. Sole Voting Power **0**

Shares

6. Shared Voting Power **1,863,750**

Beneficially

7. Sole Dispositive Power **0**

Owned by

8. Shared Dispositive Power **1,863,750**

Each Reporting

Person With:

9. Aggregate Amount Beneficially Owned by Each Reporting Person **1,863,750**

—  
10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) \_\_\_\_\_

—  
11. Percent of Class Represented by Amount in Row (9) **6.9%**

—  
12. Type of Reporting Person (See Instructions) **IN, HC**

1. Names of Reporting Persons.  
I.R.S. Identification Nos. of above persons (entities only).

**Roger Richter**

- 
2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)     

(b)   **X**  

3. SEC Use Only \_\_\_\_\_

4. Citizenship or Place of Organization **U.S.A.**

|                |                             |                  |
|----------------|-----------------------------|------------------|
| Number of      | 5. Sole Voting Power        | <b>0</b>         |
| Shares         | 6. Shared Voting Power      | <b>1,863,750</b> |
| Beneficially   | 7. Sole Dispositive Power   | <b>0</b>         |
| Owned by       | 8. Shared Dispositive Power | <b>1,863,750</b> |
| Each Reporting |                             |                  |
| Person With:   |                             |                  |

9. Aggregate Amount Beneficially Owned by Each Reporting Person **1,863,750**

- 
10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) \_\_\_\_\_

- 
11. Percent of Class Represented by Amount in Row (9) **6.9%**

- 
12. Type of Reporting Person (See Instructions) **IN, HC**
-

- 
1. Names of Reporting Persons.  
I.R.S. Identification Nos. of above persons (entities only).

**Pacific Assets Management, LLC**

—

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

3. SEC Use Only \_\_\_\_\_

4. Citizenship or Place of Organization **Delaware**

|                |                             |                  |
|----------------|-----------------------------|------------------|
| Number of      | 5. Sole Voting Power        | <b>0</b>         |
| Shares         | 6. Shared Voting Power      | <b>1,863,750</b> |
| Beneficially   | 7. Sole Dispositive Power   | <b>0</b>         |
| Owned by       | 8. Shared Dispositive Power | <b>1,863,750</b> |
| Each Reporting |                             |                  |
| Person With:   |                             |                  |

9. Aggregate Amount Beneficially Owned by Each Reporting Person **1,863,750**

- 
10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) \_\_\_\_\_
- 

11. Percent of Class Represented by Amount in Row (9) **6.9%**



—  
12. Type of Reporting Person (See Instructions) **OO, IA**  
—

—  
1. Names of Reporting Persons.  
I.R.S. Identification Nos. of above persons (entities only).  
—

**Pacific Capital Management, Inc.**  
—

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)     

(b)   **X**  

3. SEC Use Only \_\_\_\_\_

4. Citizenship or Place of Organization **California**

|                                |                             |                  |
|--------------------------------|-----------------------------|------------------|
| Number of                      | 5. Sole Voting Power        | <b>0</b>         |
| Shares                         | 6. Shared Voting Power      | <b>1,863,750</b> |
| Beneficially                   | 7. Sole Dispositive Power   | <b>0</b>         |
| Owned by                       | 8. Shared Dispositive Power | <b>1,863,750</b> |
| Each Reporting<br>Person With: |                             |                  |

9. Aggregate Amount Beneficially Owned by Each Reporting Person **1,863,750**  
—

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) \_\_\_\_\_

—

11. Percent of Class Represented by Amount in Row (9) **6.9%**

—

12. Type of Reporting Person (See Instructions) **CO, HC**

—

1. Names of Reporting Persons.  
I.R.S. Identification Nos. of above persons (entities only).

**JMG Capital Partners, L.P.**

—

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)  \_\_\_\_\_

(b)  **X**

3. SEC Use Only \_\_\_\_\_

4. Citizenship or Place of Organization **California**

|                |                             |                  |
|----------------|-----------------------------|------------------|
| Number of      | 5. Sole Voting Power        | <b>0</b>         |
| Shares         | 6. Shared Voting Power      | <b>1,863,750</b> |
| Beneficially   | 7. Sole Dispositive Power   | <b>0</b>         |
| Owned by       | 8. Shared Dispositive Power | <b>1,863,750</b> |
| Each Reporting |                             |                  |

Person With:

9. Aggregate Amount Beneficially Owned by Each Reporting Person **1,863,750**

—

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) \_\_\_\_\_

—

11. Percent of Class Represented by Amount in Row (9) **6.9%**

—

12. Type of Reporting Person (See Instructions) **PN**

—

1. Names of Reporting Persons.  
I.R.S. Identification Nos. of above persons (entities only).

**JMG Triton Offshore Fund, Ltd.**

—

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) \_\_\_

(b) **X**

3. SEC Use Only \_\_\_\_\_

4. Citizenship or Place of Organization **British Virgin Islands**

Number of

5. Sole Voting Power **0**

Shares

6. Shared Voting Power **1,863,750**

Beneficially 7. Sole Dispositive Power **0**

Owned by 8. Shared Dispositive Power **1,863,750**

Each Reporting

Person With:

9. Aggregate Amount Beneficially Owned by Each Reporting Person **1,863,750**

—

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) \_\_\_\_\_

—

11. Percent of Class Represented by Amount in Row (9) **6.9%**

—

12. Type of Reporting Person (See Instructions) **CO**

—

Item 1.

(a) Name of Issuer

**KapStone Paper and Packaging Corporation**

—

(b) Address of Issuer's Principal Executive Offices

**c/o Stone Kaplan Investments, LLC, One Northfield Plaza, Suite 480  
Northfield, IL 60093**

Item 2.

(a) The names of the persons filing this statement are:

**Jonathan M. Glaser**

**JMG Capital Management, Inc. ("JMG Inc.")**

**JMG Capital Management, LLC ("JMG LLC")**

**Daniel Albert David**

**Roger Richter**

**Pacific Assets Management, LLC ("PAM")**

**Pacific Capital Management, Inc. ("PCM")**

**JMG Capital Partners, L.P. (the "Partnership")**

**JMG Triton Offshore Fund, Ltd. (the "Fund")**

(collectively, the "Filers").

(b) The principal business office of JMG Inc., JMG LLC, Mr. Glaser and the Partnership is:

**11601 Wilshire Boulevard, Suite 2180, Los Angeles, CA 90025**

The principal business office of PAM, PCM and Mr. David is:

**100 Drakes Landing, Suite 207, Greenbrae, CA 94904**

The principal business office of Mr. Richter is:

**One Sansome Street, 39<sup>th</sup> Floor, San Francisco, CA 94104**

The principal business office of the Fund is:

**Ogier Fiduciary Services (BVI) Ltd**

Nemours Chambers

PO Box 3170

Road Town, Tortola, BVI

VG1110

(c) For citizenship of Filers, see Item 4 of the cover sheet for each Filer.

(d) This statement relates to shares of common stock of the Issuer (the "Stock").

(e) The CUSIP number of the Issuer is: **861575108**

Item 3. If this statement is filed pursuant to rule 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 Act (15 U.S.C. 78o).

(b)  Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).

(c)  Insurance company as defined in section 3(a)(19) of the 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 section 240.13d-1(b)(1)(ii)(E).

(f)  An employee benefit plan or endowment fund in accordance with section 240.13d-1(b)(1)(ii)(F).

(g)  A parent holding company or control person in accordance with 240.13d-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 section 240.13d-1(b)(1)(ii)(J).

Item 4. Ownership.

See Items 5-9 and 11 of the cover page for each Filer.

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.

PAM and JMG LLC are investment advisers whose clients have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the Stock. PAM is the investment adviser to the Fund and PCM is a member of PAM. Mr. Glaser, Mr. David and Mr. Richter are control persons of PCM and PAM. JMG LLC is the investment adviser and general partner of the Partnership and JMG Inc. is a member of JMG LLC. Mr. Glaser is the control person of JMG Inc. and JMG LLC.

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

Not applicable.

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

The Filers are filing this Schedule 13G jointly, but not as members of a group, and each of them expressly disclaims membership in a group. Each of Mr. Glaser, Mr. David, Mr. Richter, JMG Inc., JMG LLC, PCM and PAM disclaims beneficial ownership of the Stock except to the extent of that person's pecuniary interest therein. In addition, the filing

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of this Schedule 13G on behalf of the Partnership and the Fund should not be construed as an admission that either of them is, and each of them disclaims that it is, the beneficial owner, as defined in Rule 13d-3 under the Securities Exchange Act of 1934, of any of the Stock covered by this Schedule 13G.

Item 9. Notice of Dissolution of Group

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.

Exhibits:

Joint Filing Agreement, previously filed.

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.

Dated: February 15, 2007

PACIFIC CAPITAL MANAGEMENT, INC.

PACIFIC ASSETS MANAGEMENT, LLC

By: /s/ Jonathan M. Glaser, President

By: /s/ Jonathan M. Glaser, President

JMG CAPITAL MANAGEMENT, INC.

JMG CAPITAL MANAGEMENT, LLC

By: /s/ Jonathan M. Glaser, President

By: /s/ Jonathan M. Glaser, Member Manager

/s/ Jonathan M. Glaser

/s/ Daniel Albert David

/s/ Roger Richter

JMG CAPITAL PARTNERS, L.P.

JMG TRITON OFFSHORE FUND, LTD.

By: JMG Capital Management, LLC

By: Pacific Assets Management, LLC

General Partner

Attorney-in-fact

By: /s/ Jonathan M. Glaser, Member Manager

By: /s/ Jonathan M. Glaser, Member Manager

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