

GUTFLEISH RONALD E
 Form 3
 February 16, 2007

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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 *		2. Date of Event Requiring Statement	3. Issuer Name and Ticker or Trading Symbol	
Â ELM RIDGE CAPITAL MANAGEMENT LLC		(Month/Day/Year)	KAPSTONE PAPER & PACKAGING CORP [SCDE]	
(Last)	(First)	(Middle)	4. Relationship of Reporting Person(s) to Issuer	
3 WEST MAIN STREET,Â 3RD FLOOR			(Check all applicable)	
(Street)			___ Director	<input checked="" type="checkbox"/> 10% Owner
IRVINGTON,Â NYÂ 10533			___ Officer	___ Other
(City)	(State)	(Zip)	(give title below) (specify below)	
			6. Individual or Joint/Group Filing(Check Applicable Line)	
			___ Form filed by One Reporting Person	
			<input checked="" type="checkbox"/> Form filed by More than One Reporting Person	

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	1,891,634	I	Footnote 1 ⁽¹⁾

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

SEC 1473 (7-02)

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Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative	5. Ownership Form of Derivative Security	6. Nature of Indirect Beneficial Ownership (Instr. 5)
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	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	Security	Direct (D) or Indirect (I) (Instr. 5)	
Warrants	01/01/2007	08/15/2009	Common Stock Purchase Warrants	3,828,580	\$ 5	I	Footnote 1 <u>(1)</u>

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ELM RIDGE CAPITAL MANAGEMENT LLC 3 WEST MAIN STREET 3RD FLOOR IRVINGTON, NY 10533	Â	Â X	Â	Â
GUTFLEISH RONALD E C/O ELM RIDGE CAPITAL MANAGEMENT, LLC 3 WEST MAIN STREET, 3RD FLOOR IRVINGTON, NY 10533	Â	Â X	Â	Â

Signatures

Elm Ridge Capital Management, LLC, By: /s/ Ronald E. Gutfleish, Managing Member 02/16/2007

__Signature of Reporting Person Date

/s/ Ronald E. Gutfleish 02/16/2007

__Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 5(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.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure. 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 number.