

KAPSTONE PAPER & PACKAGING CORP
Form 8-K
April 01, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

March 27, 2009

Date of Report (Date of earliest event reported)

KapStone Paper and Packaging Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-51150
(Commission
File Number)

20-2699372
(IRS Employer
Identification No.)

1101 Skokie Boulevard, Suite 300 Northbrook, Illinois
(Address of principal executive offices)

60062
(Zip Code)

(847) 239-8800

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(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

 - o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

 - o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

 - o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01

Entry into a Material Definitive Agreement.

On March 30, 2009, KapStone Paper and Packaging Corporation (Kapstone) entered into a Second Amendment and Limited Waiver Agreement (Second Amendment) dated as of March 30, 2009 by and among Kapstone, certain of its subsidiaries, the lenders who are a party thereto and Bank of America, N.A., as Administrative Agent, amending Kapstone s Credit Agreement dated as of June 12, 2008, as previously amended (the Credit Agreement). Also on March 27, 2009, Kapstone entered into a Limited Waiver and Amendment No. 2 to Note Agreement (Note Agreement Amendment) dated March 27, 2009 by and among Kapstone, KapStone Kraft Paper Corporation and The Prudential Insurance Company of America, amending Kapstone s Note Purchase Agreement dated as of July 1, 2008, as previously amended (the Note Purchase Agreement). The Second Amendment and the Note Agreement Amendment waive any event of default that might arise as a result of Kapstone s failure to comply with the total leverage ratio covenant as of March 31, 2009. The waiver will terminate on May 1, 2009 unless, (i) Kapstone has consummated the sale of its Ride Rite Division operating out of Fordyce, Arkansas on or before May 1, 2009 and (ii) Kapstone is in compliance with a pro forma total leverage ratio as of March 31, 2009, which includes for pro forma purposes the gain recognized upon such sale. On March 31, 2009, Kapstone closed on the sale of its Ride Rite Division. In addition, the Second Amendment and the Note Agreement Amendment amended the definition of Earn-Out Obligations to permit Kapstone to pay to International Paper Company a required earn-out obligation triggered by the sale of the Ride Rite division without requiring repayment of the outstanding debt under the Credit Agreement and the Note Purchase Agreement.

Item 9.01

Financial Statements and Exhibits

99.1 Second Amendment and Limited Waiver Agreement dated as of March 30, 2009 by and among Kapstone Kraft Paper Corporation, KapStone Paper and Packaging Corporation, the lenders who are a party thereto and Bank of America N.A.

99.2 Limited Waiver and Amendment Number 2 to Note Agreement dated as of March 27, 2009 among KapStone Kraft Paper Corporation, KapStone Paper and Packaging Corporation and The Prudential Insurance Company of America.

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 1, 2009

KAPSTONE PAPER AND PACKAGING CORPORATION

| | |
|--------|-------------------------|
| By: | /s/ Roger W. Stone |
| Name: | Roger W. Stone |
| Title: | Chief Executive Officer |