

O NEAL LESLIE K
 Form 4
 February 08, 2011

FORM 4

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

OMB APPROVAL

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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

(Print or Type Responses)

1. Name and Address of Reporting Person *
 O NEAL LESLIE K

2. Issuer Name and Ticker or Trading Symbol
 TEMPLE INLAND INC [TIN]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 1300 SOUTH MOPAC, THIRD FLOOR
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 02/04/2011

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 Sr. Vice President & Secretary

AUSTIN, TX 78746
 (City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 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 Ownership (Instr. 4)
			Code	V	Amount (A) or (D) Price		
Common Stock	02/04/2011	02/04/2011	A		6,751 (3) \$ 0 58,755	D	(2) (3)

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

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

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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 Underlying (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title
Options (Right to Buy)	\$ 24.4	02/04/2011		A	9,167	02/04/2012 ⁽¹⁾	02/04/2021	Common Stock
Restricted Stock Units	⁽⁴⁾	02/04/2011	02/04/2011	D	18,909	⁽⁴⁾	⁽⁴⁾	Common Stock
Performance Stock Units	⁽⁵⁾					⁽⁵⁾	⁽⁵⁾	Common Stock
Performance Stock Units	⁽⁶⁾					⁽⁶⁾	⁽⁶⁾	Common Stock
Options (Right to Buy)	\$ 21.55 ⁽⁸⁾					02/03/2007 ⁽⁷⁾	02/03/2016	Common Stock
Options (Right to Buy)	\$ 24.34 ⁽⁸⁾					02/02/2008 ⁽⁹⁾	02/02/2017	Common Stock
Options (Right to Buy)	\$ 19.5					02/01/2009 ⁽¹⁰⁾	02/01/2018	Common Stock
Options (Right to Buy)	\$ 5.64					02/06/2010 ⁽¹¹⁾	02/06/2019	Common Stock
Options (Right to Buy)	\$ 16.71					02/05/2011 ⁽¹²⁾	02/05/2020	Common Stock

Reporting Owners

Reporting Owner Name / Address

Relationships

O NEAL LESLIE K
 1300 SOUTH MOPAC
 THIRD FLOOR
 AUSTIN, TX 78746

Director 10% Owner Officer Other

Sr. Vice President & Secretary

Signatures

/s/ Leslie K. O'Neal on Behalf of Reporting
Person

02/08/2011

__Signature of Reporting Person

Date

Explanation of Responses:

- * 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) Options granted 02/04/11 vest as follows: 2291 on 02/04/12, 2292 on 02/04/13, 2292 on 02/04/14 and 2292 on 02/04/15.
- (2) Includes 13,122 Restricted Stock Units granted to Reporting Person on February 5, 2010. These RSUs will vest effective February 5, 2013 if 1% ROI or ROI in top three quartiles of peer group performance criteria is met, and will be settled for stock on the vesting date.
- (3) Includes 6,751 Restricted Stock Units granted to Reporting Person on February 4, 2011. These RSUs will vest effective February 4, 2014 if 1% ROI or ROI in top three quartiles of peer group performance criteria is met, and will be settled for stock on the vesting date.
- (4) Restricted Stock Units granted on February 1, 2008 will vest effective February 1, 2011 if 1% ROI performance criteria is met. Restricted Stock Units will be settled for cash based on the fair market value on the vesting date.
- (5) Performance Stock Units granted on February 5, 2010 will vest on or after February 5, 2013 at 100% if the Company's average ROI falls within the first quartile ROI ranking compared to its peer group; 75% if in the second quartile, zero if in the bottom half. PSUs will be settled for cash based on the fair market value on the vesting date.
- (6) Performance Stock Units granted on February 6, 2009 will vest on or after February 6, 2012 at 100% if the Company's average ROI falls within the first quartile ROI ranking compared to its peer group; 75% if in the second quartile; zero if in the bottom half. PSUs will be settled for cash based on the fair market value on the vesting date.
- (7) Options Vesting Schedule for Options Granted 02/03/2006: Options Exercisable 02/03/2007 - 1,537; Options Exercisable 02/03/2008 - 1,537; Options Exercisable 02/03/2009 - 1,537; and Options Exercisable 02/03/2010 - 1,539.
- (8) The exercise price of these outstanding options were amended from that previously reported in connection with the spin-off announced by the Company effective 12/28/2007, and pursuant to anti-dilution provisions set forth in the option plan and is intended to give the option the same economic value it had before the spin-off.
- (9) Options Vesting Schedule for Options Granted 02/02/2007: Options Exercisable 02/02/2008 - 2,500; Options Exercisable 02/02/2009 - 2,500; Options Exercisable 02/02/2010 - 2,500; and Options Exercisable 02/02/2011 - 2,500.
- (10) Granted 02/01/2008 Option Vesting Schedule: Options exercisable 02/01/2009, 13542; Options exercisable 02/01/2010, 13543; Options exercisable 02/01/2011, 13542; Options exercisable 02/01/2012, 13543.
- (11) Options Vesting Schedule for Options Granted 02/06/2009. Options Exercisable 02/06/2010 - 15,152; Options Exercisable 02/06/2011 - 15,152; Options Exercisable 02/06/2012 - 15,152; and Options Exercisable 02/06/2013 - 15,152.
- (12) Options Vesting Schedule for Options Granted 02/05/2010. Options Exercisable 02/05/2011 - 4,235; Options Exercisable 02/05/2012 - 4,236; Options Exercisable 02/05/2013 - 4,236; and Options Exercisable 02/06/2014 - 4,236.

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.