

Hester Troy L
Form 4
February 09, 2010

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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 *
Hester Troy L

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

AUSTIN, TX 78746

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
02/05/2010

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
X Officer (give title below) ___ Other (specify below)
Corporate Controller

6. Individual or Joint/Group Filing(Check Applicable Line)
X 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 or Price		
Common Stock	02/05/2010	02/05/2010	A		9,473 (1)	A	\$ 0 26,820
Common Stock					1,689	(2)	I

By Trustee of 401(k) Plan

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

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SEC 1474 (9-02)

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

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
Option (right to buy)	\$ 11.96 (3)					02/06/2005(4)	02/06/2014	Common Stock
Option (right to buy)	\$ 16.14 (3)					02/04/2006(5)	02/04/2015	Common Stock
Option (right to buy)	\$ 21.55 (3)					02/03/2007(6)	02/03/2016	Common Stock
Option (right to buy)	\$ 24.34 (3)					02/02/2008(7)	02/02/2017	Common Stock
Restricted Stock Units	(8)	02/05/2010	02/05/2010	M	8,500	(8)	(8)	Common Stock
Option (Right to buy)	\$ 19.5					02/01/2009(9)	02/01/2018	Common Stock
Restricted Stock Units	(10)					(10)	(10)	Common Stock
Option (Right to buy)	\$ 5.64					02/06/2010(11)	02/06/2019	Common Stock
Performance Stock Units	(12)					(12)	(12)	Common Stock
Options (Right to buy)	\$ 16.71	02/05/2010	02/05/2010	A	12,231	02/05/2011(13)	02/05/2020	Common Stock
Performance Stock Units	(14)	02/05/2010	02/05/2010	A	8,559	(14)	(14)	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Hester Troy L 1300 SOUTH MOPAC			Corporate Controller	

THIRD FLOOR
AUSTIN, TX 78746

Signatures

Signed by Leslie K. O'Neal on behalf of Troy
Hester.

02/09/2010

__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) Restricted Stock Units granted on February 5, 2010 will vest effective February 5, 2013 if 1% ROI or ROI in top three quartiles of peer group performance criteria is met. Restricted Stock Units will be settled for stock on the vesting date.
- (2) Reporting Person holds shares under a 401(k) plan, and figures are according to the latest report of the Plan Administrator. (Note: Plan Administrator uses unit accounting; therefore, share equivalents may fluctuate slightly.)
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.
- (3) Options Vesting Schedule: Options Exercisable 1,250 - 02/06/2005; Options Exercisable 1,250 - 02/06/2006; Options Exercisable 1,250 - 02/06/2007; and Options Exercisable 1,250 - 02/06/2008
- (4) Options Vesting Schedule: Options Exercisable 1,250 - 02/04/2006; Options Exercisable 1,250 - 02/04/2007; Options Exercisable 1,250 - 02/04/2008; and Options Exercisable 1,250 - 02/04/2009
- (5) Options Vesting Schedule: Options Exercisable 1,281 - 02/03/2007; Options Exercisable 1,281 - 02/03/2008; Options Exercisable 1,281 - 02/03/2009; and Options Exercisable 1,282 - 02/03/2010
- (6) Options Vesting Schedule for Options Granted 02/02/2007. Options Exercisable 02/02/2008 - 1,281; Options Exercisable 02/02/2009 - 1,281; Options Exercisable 02/02/2010 - 1,281; and Options Exercisable 02/02/2011 - 1,282.
- (7) Restricted Stock Units settled for cash.
- (8) Granted 02/01/2008 Option Vesting Schedule: Options exercisable 02/01/2009, 8049; Options exercisable 02/01/2010, 8050; Options exercisable 02/01/2011, 8050; Options exercisable 02/01/2012, 8050.
- (9) 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.
- (10) Options Vesting Schedule for Options Granted 02/06/2009. Options Exercisable 02/06/2010 - 9247; Options Exercisable 02/06/2011 - 9248; Options Exercisable 02/06/2012 - 9247; and Options Exercisable 02/06/2013 - 9248.
Performance Stock Units granted on February 6, 2009 will vest effective February 6, 2012 if 1% ROI performance criteria is met, or Company is above the 4th Quartile ROI ranking compared to its peer group. Performance Stock Units will be settled for cash based on the fair market value on the vesting date.
- (11) Options Vesting Schedule for Options Granted 02/05/2010. Options Exercisable 02/05/2011 - 3057; Options Exercisable 02/05/2012 - 3058; Options Exercisable 02/05/2013 - 3058; and Options Exercisable 02/06/2014 - 3058.
Performance Stock Units granted on February 5, 2010 will vest 100% effective February 5, 2013 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. Performance Stock Units will be settled for cash based on the fair market value on the vesting date.
- (12) Options Vesting Schedule for Options Granted 02/05/2010. Options Exercisable 02/05/2011 - 3057; Options Exercisable 02/05/2012 - 3058; Options Exercisable 02/05/2013 - 3058; and Options Exercisable 02/06/2014 - 3058.
- (13) Performance Stock Units granted on February 5, 2010 will vest 100% effective February 5, 2013 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. Performance Stock Units will be settled for cash based on the fair market value on the vesting date.
- (14) Performance Stock Units granted on February 5, 2010 will vest 100% effective February 5, 2013 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. Performance Stock Units will be settled for cash based on the fair market value on the vesting date.

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.