Cellu Tissue Holdings, Inc. Form 4

December 28, 2010

Check this box

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

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OMB APPROVAL

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Section 16. Form 4 or Form 5 obligations may continue.

if no longer

subject to

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

1(b).

(Print or Type Responses)

See Instruction

1. Name and Address of Reporting Person * Clearwater Paper Corp

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

Cellu Tissue Holdings, Inc. [CLU]

(Check all applicable)

(Last)

(First) (Middle) 3. Date of Earliest Transaction (Month/Day/Year)

Filed(Month/Day/Year)

12/27/2010

Director 10% Owner Officer (give title

Other (specify

601 WEST RIVERSIDE AVENUE.

(Street)

SUITE 1100

4. If Amendment, Date Original

6. Individual or Joint/Group Filing(Check Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

6.

below)

SPOKANE, WA 99201

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)

2. Transaction Date 2A. Deemed (Month/Day/Year) Execution Date, if

4. Securities Acquired (A) 3. Transaction Disposed of (D) Code (Instr. 3, 4 and 5)

5. Amount of Securities Beneficially Owned Following

Ownership Form: Direct (D) or Indirect

7. Nature of Indirect Beneficial Ownership (Instr. 4)

(Month/Day/Year) (Instr. 8)

Code V

Reported (A) Transaction(s) or (Instr. 3 and 4) (D) Price

(I) (Instr. 4)

Common Stock (1)

12/27/2010

Amount 20,196,507 (1)

 $1,000^{(1)}$ (1)

D

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

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

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| | 2. | 3. Transaction Date | | 4. | 5. | 6. Date Exerc | | 7. Titl | | 8. Price of | 9. Nu |
|--------------------------------------|-----------------------------------------------------------------|---------------------|-----------------------------------------|--------------------------------|------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|------------------------------------|----------------------------------------|--------------------------------------|-------------------------------------------------------------------|
| Derivative Security (Instr. 3) | Conversion or Exercise Price of Derivative Security | (Month/Day/Year) | Execution Date, if any (Month/Day/Year) | Transact Code (Instr. 8) | orNumber of Derivativ Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | : | | Amou Under Securi (Instr. | lying | Derivative Security (Instr. 5) | Deriv Secur Bene Own Follo Repo Trans (Instr |
| | | | | Code V | (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | | | | |
|-------------------------------------------------------------------------------------|---------------|-----------|---------|-------|--|--|--|
| | Director | 10% Owner | Officer | Other | | | |
| Clearwater Paper Corp 601 WEST RIVERSIDE AVENUE, SUITE 1100 SPOKANE, WA 99201 | | X | | | | | |

Signatures

/s/ Michael S. Gadd, Attorney-in-Fact

**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).

On December 27, 2010, Clearwater Paper Corporation, a Delaware corporation ("Clearwater Paper"), acquired Cellu Tissue Holdings, Inc., a Delaware corporation ("Cellu Tissue"), pursuant to an Agreement and Plan of Merger (the "Merger Agreement"), dated September 15, 2010, by and among Clearwater Paper, Cellu Tissue and Sand Dollar Acquisition Corporation, a Delaware corporation and a wholly-owned subsidiary of Clearwater Paper ("Merger Sub"). Clearwater Paper paid \$12.00 for each share of outstanding Cellu Tissue common stock. As a result of the merger, Merger Sub ceased to exist and Cellu Tissue became a wholly-owned subsidiary of Clearwater Paper. Cellu Tissue has 1,000 shares of common stock currently outstanding.

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.

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