

Cellu Tissue Holdings, Inc.
 Form 4
 December 28, 2010

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 *
 Clearwater Paper Corp

2. Issuer Name and Ticker or Trading Symbol
 Cellu Tissue Holdings, Inc. [CLU]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 601 WEST RIVERSIDE AVENUE,
 SUITE 1100

3. Date of Earliest Transaction
 (Month/Day/Year)
 12/27/2010

____ Director
 ____ Officer (give title below)
 10% Owner
 ____ Other (specify below)

(Street)
 SPOKANE, WA 99201

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 Indirect Beneficial Ownership (Instr. 4)
Common Stock ⁽¹⁾	12/27/2010		J	(A) or (D) 20,196,507 ⁽¹⁾	\$ 12 ⁽¹⁾ 1,000 ⁽¹⁾	D	

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

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 (9-02)

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 Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Following Transaction (Instr. 5)
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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

12/28/2010

__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) 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.