

KELLY RICHARD K
Form 4
November 30, 2004

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

OMB APPROVAL

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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 *
KELLY RICHARD K

2. Issuer Name and Ticker or Trading Symbol
POTLATCH CORP [PCH]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
601 W. RIVERSIDE AVENUE,
SUITE 1100

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
11/22/2004

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

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

(City) (State) (Zip)

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)
			Code	V Amount (A) or (D) Price			
Common Stock	11/22/2004		M	3,517 A \$ 39.2939	3,517	D	
Common Stock	11/22/2004		S	3,517 D \$ 49.3	0	D	
Common Stock	11/22/2004		M	4,724 A \$ 42.2707	4,724	D	
Common Stock	11/22/2004		S	4,724 D \$ 49.3	0	D	
Common Stock	11/22/2004		M	3,622 A \$ 45.9619	3,622	D	

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Common Stock	11/22/2004	S	3,622	D	\$ 49.3	0	D
Common Stock	11/22/2004	M	6,089	A	\$ 35.9599	6,089	D
Common Stock	11/22/2004	S	6,089	D	\$ 49.3	0	D
Common Stock	11/22/2004	M	747	A	\$ 39.413	747	D
Common Stock	11/22/2004	S	747	D	\$ 49.3	0	D
Common Stock	11/23/2004	M	1,300	A	\$ 39.413	1,300	D
Common Stock	11/23/2004	S	1,300	D	\$ 49.3	0	D
Common Stock	11/24/2004	M	11,600	A	\$ 39.413	11,600	D
Common Stock	11/24/2004	S	11,600	D	\$ 49.3	0	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)

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)				
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 39.2939	11/22/2004		M		3,517 (1)		12/07/1997	12/07/2005	Common Stock	3,517
Employee Stock	\$ 42.2707	11/22/2004		M		4,724 (3)		12/05/1998	12/05/2006	Common Stock	4,724

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- (1) The reporting person was granted employee stock options on December 7, 1995, to vest in two equal annual installments. The grant was made under the stockholder-approved Potlatch Corporation 1995 Stock Incentive Plan. All these options have vested.
- (2) The employee stock option, after exercise, was sold at \$49.30 per share.
- (3) The reporting person was granted employee stock options on December 5, 1996, to vest in two equal annual installments. The grant was made under the stockholder-approved Potlatch Corporation 1995 Stock Incentive Plan. All these options have vested.
- (4) The reporting person was granted employee stock options on December 4, 1997, to vest in two equal annual installments. The grant was made under the stockholder-approved Potlatch Corporation 1995 Stock Incentive Plan. All these options have vested.
- (5) The reporting person was granted employee stock options on December 3, 1998, to vest in two equal annual installments. The grant was made under the stockholder-approved Potlatch Corporation 1995 Stock Incentive Plan. All these options have vested.
- (6) The reporting person was granted employee stock options on December 2, 1999, to vest in two equal annual installments. The grant was made under the stockholder-approved Potlatch Corporation 1995 Stock Incentive Plan. All these options have vested.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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