

POTLATCH CORP
 Form 4
 November 07, 2005

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 *
SIEGEL L PENDLETON

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

SPOKANE, WA 99201

(City) (State) (Zip)

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

3. Date of Earliest Transaction
 (Month/Day/Year)
 11/04/2005

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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)
			Code	V	Amount	(A) or (D)	Price
Common Stock	11/04/2005		M		10,823	A	\$ 39.2939
Common Stock	11/04/2005		S		10,823	D	\$ 44.68
Common Stock	11/04/2005		M		10,172	A	\$ 39.2939
Common Stock	11/04/2005		S		10,172	D	\$ 44.71
Common Stock	11/04/2005		M		59,286	A	\$ 23.7002

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Common Stock 11/04/2005 S 59,286 D \$ 44.71 0 D

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)

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	11/04/2005		M	10,823 ⁽¹⁾	12/07/1997 12/07/2005	Common Stock 10,823
Employee Stock Option (right to buy)	\$ 39.2939	11/04/2005		M	10,172 ⁽²⁾	12/07/1997 12/07/2005	Common Stock 10,172
Employee Stock Option (right to buy)	\$ 23.7002	11/04/2005		M	59,286 ⁽³⁾	12/05/2004 12/05/2012	Common Stock 59,286

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SIEGEL L PENDLETON 601 W. RIVERSIDE AVENUE, SUITE 1100 SPOKANE, WA 99201	X		Chief Executive Officer	

Signatures

Malcolm A. Ryerse,
Attorney-in-fact

11/07/2005

__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) 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 1989 Stock Incentive Plan.
- (2) 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.
- (3) The reporting person was granted employee stock options on December 5, 2002, to vest in two equal annual installments. The grant was made under the stockholder-approved Potlatch Corporation 2000 Stock Incentive Plan.
- (4) The employee stock option, after exercise, was sold at an average price of \$44.68 per share.
- (5) The employee stock option, after exercise, was sold at an average price of \$44.71 per share.

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.