

AUERBACH JONATHAN A G  
 Form 4  
 August 01, 2008

**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 \*  
 Hound Partners, LLC

2. Issuer Name and Ticker or Trading Symbol  
 BOISE INC. [BZ]

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)

(Last) (First) (Middle)  
 101 PARK AVENUE, 48TH FLOOR  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 07/29/2008

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

NEW YORK, NY 10178

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 Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
|                                 |                                      |  |                                | (A) or (D)  | Code V Amount (D) Price   |  |  |

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

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SEC 1474 (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 | 2. Conversion or Exercise | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code | 5. Number of Derivative Securities | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|

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| (Instr. 3)                   | Price of<br>Derivative<br>Security | (Month/Day/Year) | (Instr. 8) | Acquired (A) or<br>Disposed of (D)<br>(Instr. 3, 4, and 5) |     |           |                     |                    |  |                  |
|------------------------------|------------------------------------|------------------|------------|--|-----|-----------|---------------------|--------------------|--|------------------|
|                              |                                    |                  | Code       | V  | (A) | (D)       | Date<br>Exercisable | Expiration<br>Date | Title                                    | Am<br>Nur<br>Sha |
| Contingent<br>Value<br>Right | <u>(1)</u> <u>(2)</u>              |                  |            |  |     |           | 02/06/2009          | 02/15/2009         | Common<br>Stock,<br>\$.0001<br>par value | 1,3              |
| Contingent<br>Value<br>Right | <u>(1)</u> <u>(2)</u>              |                  |            |  |     |           | 02/06/2009          | 02/15/2009         | Common<br>Stock,<br>\$.0001<br>par value | 1,3              |
| Warrant                      | \$ 7.5                             | 07/29/2008       | 08/01/2008 | S  |     | 1,810,241 | 02/22/2008          | 06/18/2011         | Common<br>Stock,<br>\$.0001<br>par value | 1,8              |
| Warrant                      | \$ 7.5                             | 07/29/2008       | 08/01/2008 | S  |     | 2,292,758 | 02/22/2008          | 06/18/2011         | Common<br>Stock,<br>\$.0001<br>par value | 2,2              |
| Warrant                      | \$ 7.5                             | 07/30/2008       | 08/02/2008 | S  |     | 220,600   | 02/22/2008          | 06/18/2011         | Common<br>Stock,<br>\$.0001<br>par value | 22               |
| Warrant                      | \$ 7.5                             | 07/30/2008       | 08/02/2008 | S  |     | 279,400   | 02/22/2008          | 06/18/2011         | Common<br>Stock,<br>\$.0001<br>par value | 27               |
| Warrant                      | \$ 7.5                             | 07/31/2008       | 08/05/2008 | S  |     | 772,100   | 02/22/2008          | 06/18/2011         | Common<br>Stock,<br>\$.0001<br>par value | 77               |
| Warrant                      | \$ 7.5                             | 07/31/2008       | 08/05/2008 | S  |     | 977,900   | 02/22/2008          | 06/18/2011         | Common<br>Stock,<br>\$.0001<br>par value | 97               |
| Warrant                      | \$ 7.5                             | 07/31/2008       | 08/05/2008 | S  |     | 18,597    | 02/22/2008          | 06/18/2011         |  | 1                |



\*\*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).

In order to receive a settlement of the Contingent Value Rights (the "CVRs"), (i) the Common Stock's Anniversary Price (defined as the arithmetical average of the volume weighted average trading price of the Common Stock as reported by Bloomberg Professional Service for the period beginning 9:30 a.m., New York City time and ending at 4:00 p.m., New York City time for the 30 trading days prior to February 5, 2009) must be less than \$10.50 and (ii) the holder must give written notice between February 6, 2009 and February 15, 2009 to Terrapin Partners Venture Partnership and Boise Cascade, L.L.C. (together, the "Grantors") requesting payment of the CVRs.

(1) Subject to certain adjustments set forth in the Contingent Value Rights Agreement, included as Exhibit 99.2 to the issuer's Schedule 14A filed with the Securities and Exchange Commission on February 1, 2008, the Grantors will pay or transfer to holder an amount per CVR by which the Anniversary Price is less than \$10.50, up to a maximum of \$1.00. For purposes of determining the number of Common Stock shares that may be transferred to Mr. Auerbach upon settlement of the CVRs, the value of each Common Stock share will equal the higher of the Anniversary Price or \$9.00.

The securities may be deemed to be beneficially owned by (a) Hound Performance, LLC, the general partner of Hound Partners, LP; (b) Hound Partners, LLC, the investment manager of Hound Partners, LP and (c) Jonathan Auerbach, the managing member of Hound Performance, LLC and Hound Partners, LLC. Each Reporting Person disclaims beneficial ownership in the securities reported on this Form 4 except to the extent of his or its pecuniary interest, if any, therein, and this report shall not be deemed to be an admission that such Reporting Person is the beneficial owner of such securities for purposes of Section 16 or for any other purpose.

(2) The securities may be deemed to be beneficially owned by (a) Hound Performance, LLC, the general partner of Hound Partners Offshore Fund, LP; (b) Hound Partners, LLC, the investment manager of Hound Partners Offshore Fund, LP and (c) Jonathan Auerbach, the managing member of Hound Performance, LLC and Hound Partners, LLC. Each Reporting Person disclaims beneficial ownership in the securities reported on this Form 4 except to the extent of his or its pecuniary interest, if any, therein, and this report shall not be deemed to be an admission that such Reporting Person is the beneficial owner of such securities for purposes of Section 16 or for any other purpose.

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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