Khan Fareed A Form 4 February 11, 2011

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB APPROVAL OMB

3235-0287 Number: January 31, Expires:

2005 Estimated average

burden hours per response... 0.5

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Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, obligations Section 17(a) of the Public Utility Holding Company Act of 1935 or Section may continue. 30(h) of the Investment Company Act of 1940 See Instruction

(Print or Type Responses)

1(b).

1. Name and Ac Khan Fareed	•	orting Person *	2. Issuer Name and Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer			
			USG CORP [USG]	(Check all applicable)			
(Last)	(First)	(Middle)	3. Date of Earliest Transaction				
C/O USG CORPORATION, 550 WEST ADAMS STREET			(Month/Day/Year) 02/09/2011	Director 10% Owner _X Officer (give title Other (specify below) Executive Vice President			
(Street)			4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check			
CHICAGO, IL 60661			Filed(Month/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person			
(City)	(State)	(Zip)	Table I Non Derivative Securities Ac	equired Disposed of or Reposicially Owner			

(City)	(State) (A	Table	I - Non-De	erivative S	ecuriti	ies Acq	uired, Disposed o	f, or Beneficial	ly Owned
1.Title of Security	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if	3. Transactio	4. Securiti n(A) or Dis		•	5. Amount of Securities	6. Ownership Form: Direct	7. Nature of Indirect
(Instr. 3)		any	Code	(D)		`	Beneficially	(D) or	Beneficial
		(Month/Day/Year)	(Instr. 8)	(Instr. 3, 4	ana 5)	Owned Following Reported	Indirect (I) (Instr. 4)	Ownership (Instr. 4)
			Code V	Amount	(A) or (D)	Price	Transaction(s) (Instr. 3 and 4)		
Common Stock	02/09/2011		A	14,535 (1)	A	\$ 0	109,348	D	
Common Stock							30.048	I	By 401(k) Plan

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. Transactic Code (Instr. 8)	5. Number of or Derivative Securities Acquired (A) or Disposed o (D) (Instr. 3, 4, and 5)	Expiration D (Month/Day	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)	\$ 18.99	02/09/2011		A	21,376	(2)	02/09/2021	Common Stock	21,376	

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Khan Fareed A C/O USG CORPORATION 550 WEST ADAMS STREET CHICAGO, IL 60661

Executive Vice President

Signatures

/s/ Ellis A. Regenbogen, Attorney-In-Fact

02/11/2011

**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) Restricted stock units that vest in four equal annual installments beginning on February 9, 2012. Each unit represents the right to receive one share of common stock.
- (2) The option vests in four equal annual installments beginning on February 9, 2012.

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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