

# SECURITIES AND EXCHANGE COMMISSION

## FORM 4

Statement of changes in beneficial ownership of securities

Filing Date: **2013-05-16** | Period of Report: **2013-05-14**  
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### REPORTING OWNER

**Smith Richard M**

CIK: **1380032**

Type: **4** | Act: **34** | File No.: **001-33662** | Film No.: **13850206**

Mailing Address  
*1300 SOUTH MOPAC  
AUSTIN TX 78746*

### ISSUER

**Forestar Group Inc.**

CIK: **1406587** | IRS No.: **261336998** | State of Incorporation: **DE** | Fiscal Year End: **1231**  
SIC: **6500** Real estate

Mailing Address  
*6300 BEE CAVE ROAD  
BUILDING TWO, SUITE 500  
AUSTIN TX 78746*

Business Address  
*6300 BEE CAVE ROAD  
BUILDING TWO, SUITE 500  
AUSTIN TX 78746  
512-433-5200*

# FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

## UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

### OMB APPROVAL

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### STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

1. Name and Address of Reporting Person <b>Smith Richard M</b>			2. Issuer Name and Ticker or Trading Symbol <b>Forestar Group Inc. [FOR]</b>			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below)		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) <b>05/14/2013</b>					
6300 BEE CAVE ROAD, BUILDING TWO, SUITE 500								
(Street)			4. If Amendment, Date Original Filed(Month/Day/Year)			6. Individual or Joint/Group Filing (Check applicable line) <input checked="" type="checkbox"/> Form Filed by One Reporting Person <input type="checkbox"/> Form Filed by More than One Reporting Person		
AUSTIN, TX 78746								
(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	05/14/2013		A		911 <sup>(1)</sup>	A	\$ 0	27,653 <sup>(2)</sup>	D	

**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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date					
Option (right to buy) <sup>(3)</sup> (4)	\$20.99							11/03/2007	11/03/2016	Common Stock	6,666	6,666	D	

Option (right to buy) <sup>(5)</sup>	\$28.85						02/12/2009	02/12/2018	Common Stock	20,000		20,000	D	
Restricted Share Units <sup>(6)</sup>	(6)						(6)	(6)	Common Stock	4,572		28,621	D	

**Explanation of Responses:**

1. Restricted stock units accrued under a Company Plan to be settled following Reporting Person's retirement.
2. In accordance with the Rights Agreement adopted by the Company on December 11, 2007, Preferred Stock Purchase Rights are deemed to be attached to the shares of Common Stock.
3. Options Vesting Schedule - Exercise price of \$20.99: Options Exercisable 11/03/2007 - 2,666; Options Exercisable 11/03/2008 - 2,666; Options Exercisable 11/03/2009 - 1,333.
4. Shares acquired in a pro rata distribution by Temple-Inland Inc. through a spin-off effective December 28, 2007.
5. Options Vesting Schedule for Options Granted 02/12/2008 - Exercise price is \$28.85: Options Exercisable 02/12/2009 - 6,500; Options Exercisable 02/12/2010 - 6,500; Options Exercisable 02/12/2011 - 7,000.
6. Restricted share units accrued under a Company plan to be settled in cash following Reporting Person's retirement. Restricted share units are vested on the date of grant and have the economic equivalent of one share of common stock.

**Signatures**

David M. Grimm signing on behalf of Richard M. Smith

\*\* Signature of Reporting Person

05/16/2013

Date

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

\* 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).

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.**