

SECURITIES AND EXCHANGE COMMISSION

FORM 4

Statement of changes in beneficial ownership of securities

Filing Date: **2011-11-07** | Period of Report: **2011-11-04**

SEC Accession No. **0001209191-11-054701**

([HTML Version](#) on secdatabase.com)

REPORTING OWNER

Grimm David M

CIK: **1417039**

Type: **4** | Act: **34** | File No.: **001-33662** | Film No.: **111184509**

Mailing Address

6300 BEE CAVE ROAD
BUILDING TWO, SUITE 500
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

OMB Number: 3235-0287
Expires: 02/28/2011
Estimated average burden hours per response 0.5

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 Grimm David M			2. Issuer Name and Ticker or Trading Symbol Forestar Group Inc. [FOR]		5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) Chief Administrative Officer	
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 11/04/2011		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	
6300 BEE CAVE ROAD, BUILDING TWO, SUITE 500			4. If Amendment, Date Original Filed(Month/Day/Year)			
(Street) 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	11/04/2011		<u>M</u>		666	A	\$13.26	42,211 ⁽¹⁾	D	
Common Stock	11/04/2011		<u>F</u>		630	D	\$14.31	41,581	D	
Common Stock	11/04/2011		<u>M</u>		533	A	\$9.83	42,114 ⁽¹⁾	D	
Common Stock	11/04/2011		<u>F</u>		411	D	\$14.31	41,703 ⁽²⁾	D	
Common Stock								1,000	I	By Spouse

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		Date Exercisable	Expiration Date					

Option (right to buy) ⁽³⁾ ⁽⁴⁾	\$13.26	11/04/2011		<u>M</u>			666	02/01/2003	02/01/2012	Common Stock	666	\$ 0	0	D
Option (right to buy) ⁽⁴⁾ ⁽⁵⁾	\$9.83	11/04/2011		<u>M</u>			533	08/01/2004	08/01/2013	Common Stock	533	\$ 0	0	D
Option (right to buy) ⁽⁴⁾ ⁽⁶⁾	\$15.02							02/06/2005	02/06/2014	Common Stock	400		400	D
Option (right to buy) ⁽⁴⁾ ⁽⁷⁾	\$20.26							02/04/2006	02/04/2015	Common Stock	533		533	D
Option (right to buy) ⁽⁴⁾ ⁽⁸⁾	\$27.06							02/03/2007	02/03/2016	Common Stock	1,708		1,708	D
Option (right to buy) ⁽⁴⁾ ⁽⁹⁾	\$30.56							02/02/2008	02/02/2017	Common Stock	1,708		1,708	D
Option (right to buy) ⁽¹⁰⁾	\$28.85							02/12/2009	02/12/2018	Common Stock	22,300		22,300	D
Option (right to buy) ⁽¹¹⁾	\$9.29							02/10/2010	02/10/2019	Common Stock	17,703		17,703	D
Option (right to buy) ⁽¹²⁾	\$17.8							02/09/2011	02/09/2020	Common Stock	10,757		10,757	D
Option (right to buy) ⁽¹³⁾	\$18.59							02/08/2012	02/08/2021	Common Stock	20,772		20,772	D
Stock Appreciation Right ⁽¹⁴⁾	\$9.29							02/10/2010	02/10/2019	Common Stock	39,404		39,404	D
Stock Appreciation Right ⁽¹⁵⁾	\$17.8							02/09/2011	02/09/2020	Common Stock	12,628		12,628	D
Restricted Share Units ⁽¹⁶⁾	⁽¹⁶⁾							⁽¹⁶⁾	⁽¹⁶⁾	Common Stock	12,110		12,110	D
Restricted Share Units ⁽¹⁷⁾	⁽¹⁷⁾							⁽¹⁷⁾	⁽¹⁷⁾	Common Stock	6,371		6,371	D
Restricted Share Units ⁽¹⁸⁾	⁽¹⁸⁾							⁽¹⁸⁾	⁽¹⁸⁾	Common Stock	5,379		5,379	D
Performance Units	⁽¹⁹⁾							⁽¹⁹⁾	02/08/2014	Common Stock	9,845		9,845	D

Explanation of Responses:

1. Reporting Person acquired additional shares by swapping shares already owned, resulting in a net increase.
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 is \$13.26: Options Exercisable 02/01/2006 - 666.
4. Shares acquired in a pro rata distribution by Temple-Inland Inc. through a spin-off on or around December 28, 2007.
5. Options Vesting Schedule - Exercise price is \$9.83: Options Exercisable 08/01/2007 - 533.

6. Options Vesting Schedule - Exercise price of \$15.02: Options Exercisable 02/06/2007 - 266; Options Exercisable 02/06/2008 - 134.
7. Options Vesting Schedule - Exercise price of \$20.26: Options Exercisable 02/04/2007 - 266; Options Exercisable 02/04/2008 - 133; Options Exercisable 02/04/2009 - 134.
8. Options Vesting Schedule - Exercise price of \$27.06: Options Exercisable 02/03/2007 - 427; Options Exercisable 02/03/2008 - 427; Options Exercisable 02/03/2009 - 427; and Options Exercisable 02/03/2010 - 427.
9. Options Vesting Schedule - Exercise price of \$30.56: Options Exercisable 02/02/2008 - 427; Options Exercisable 02/02/2009 - 427; Options Exercisable 02/02/2010 - 427; and Options Exercisable 02/02/2011 - 427.
10. Options Vesting Schedule for Options Granted 02/12/2008 - Exercise price is \$28.85: Options Exercisable 02/12/2009 - 5,575; Options Exercisable 02/12/2010 - 5,575; Options Exercisable 02/12/2011 - 5,575; Options Exercisable 02/12/2012 - 5,575.
11. Vesting schedule for Options granted 02/10/2009 - Exercise price is \$9.29: Options Exercisable 02/10/2010 - 4425; Options Exercisable 02/10/2011 - 4426; Options Exercisable 02/10/2012 - 4426; and Options Exercisable 02/10/2013 - 4426.
12. Vesting schedule for Options granted 02/9/2010 - Exercise price is \$17.80: Options Exercisable 02/9/2011 - 2,689; Options Exercisable 02/9/2012 - 2,689; Options Exercisable 02/9/2013 - 2,689; and Options Exercisable 02/9/2014 - 2,690.
13. Vesting schedule for Options granted 02/8/2011 - Exercise price is \$18.59: Options Exercisable 02/8/2012 - 5,193; Options Exercisable 02/8/2013 - 5,193; Options Exercisable 02/8/2014 - 5,193; and Options Exercisable 02/8/2015 - 5,193.
14. Vesting schedule for Stock Appreciation Rights (SARs) granted 02/10/2009 - Exercise price is \$9.29: SARs Exercisable 02/10/2010 - 9,851; SARs Exercisable 02/10/2011 - 9,851; SARs Exercisable 02/10/2012 - 9,851; and SARs Exercisable 02/10/2013 - 9,851.
15. Vesting schedule for Stock Appreciation Rights (SARs) granted 02/9/2010 - Exercise price is \$17.80: SARs Exercisable 02/9/2011 - 3,157; SARs Exercisable 02/9/2012 - 3,157; SARs Exercisable 02/9/2013 - 3,157; and SARs Exercisable 02/9/2014 - 3,157. SARs will be settled for cash.
16. Restricted share units granted on 2/10/2009 will vest effective 2/10/2012. Restricted share units will be settled for cash based on the fair market value on the vesting date subject to a 1% ROA performance criteria.
17. Restricted share units granted on 2/9/2010 will vest effective 2/9/2013. Restricted share units will be settled for cash based on the fair market value on vesting date subject to a 1% ROA performance criteria.
18. Restricted share units granted on 2/8/2011 will vest as follows: 1,793 on 2/8/2012; 1,793 on 2/8/2013; 1,793 on 2/8/2014. Restricted share units will be settled for cash based on the fair market value on vesting date.
19. Number of units received upon vesting will vary depending upon performance of Company stock over the performance period.

Signatures

David M. Grimm

** Signature of Reporting Person

11/07/2011

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.