

Nines Christopher L
Form 4
February 11, 2010

FORM 4

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

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

OMB APPROVAL

OMB
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2005
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Nines Christopher L

(Last) (First) (Middle)

6300 BEE CAVE
ROAD, BUILDING TWO, SUITE
500

(Street)

AUSTIN, TX 78746

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading
Symbol

Forestar Group Inc. [FOR]

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

02/09/2010

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
____X____ Officer (give title below) ____ Other (specify below)

Chief Financial Officer

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ 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)
Common Stock	02/09/2010		A	(A) or (D) Amount (1) 5,427	\$ 0 30,063	D	
Common Stock	02/09/2010		A	(A) or (D) Amount (2) 18,371	\$ 0 48,434 (3)	D	
Common Stock					367 (4)	I	By Trustee 401(k) Plan
Common Stock					67 (5)	I	By Trustee 401(k) Plan

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

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(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 (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 Underlying Security (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date Date	Title Amount or Number of Shares
Option (right to buy) <u>(6) (7)</u>	\$ 9.83					08/01/2006 08/01/2013	Common Stock 33
Option (right to buy) <u>(7) (8)</u>	\$ 15.02					02/06/2005 02/06/2014	Common Stock 83
Option (right to buy) <u>(7) (9)</u>	\$ 20.26					02/04/2007 02/04/2015	Common Stock 1,2
Option (right to buy) <u>(7) (10)</u>	\$ 27.06					02/03/2007 02/03/2016	Common Stock 2,1
Option (right to buy) <u>(7) (11)</u>	\$ 30.56					02/02/2008 02/02/2017	Common Stock 2,1
Option (right to buy) <u>(12)</u>	\$ 28.85					02/12/2009 02/12/2018	Common Stock 22,3
Option (right to buy) <u>(13)</u>	\$ 9.29					02/12/2010 02/12/2019	Common Stock 17,7
Option (right to buy) <u>(14)</u>	\$ 17.8	02/09/2010		A	10,757	02/09/2011 02/09/2020	Common Stock 10,7
Stock Appreciation Right <u>(15)</u>	\$ 9.29					02/10/2010 02/10/2019	Common Stock 39,4
Stock Appreciation Right <u>(16)</u>	\$ 17.8	02/09/2010		A	12,628	02/09/2011 02/09/2020	Common Stock 12,6
Restricted Share Units <u>(17)</u>	<u>(17)</u>					<u>(17)</u> <u>(17)</u>	Common Stock 12,1

Restricted
Share Units
(18)

(18)

02/09/2010

A

6,371

(18)

(18)

Common
Stock

6,3

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
Nines Christopher L 6300 BEE CAVE ROAD BUILDING TWO, SUITE 500 AUSTIN, TX 78746	Chief Financial Officer

Signatures

David M. Grimm signing on behalf of Christopher L.
Nines

02/11/2010

**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 shares granted on 2/9/2010 will vest effective 2/9/2013. Restricted shares are subject to a 1% ROA performance criteria.
 - (2) Restricted shares granted on 2/9/2010 will vest as follows: 6,124 effective 2/9/2011; 6,123 effective 2/9/2012; 6,124 effective 2/9/2013.
 - (3) 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.
 - (4) Reporting Person acquired shares through acquisitions under 401(k) plan. By trustee of the Temple-Inland Salaried Savings Plan according to the latest report of the Plan Administrator. (Note: Trustee uses unit accounting; therefore, share equivalents may fluctuate slightly from month to month.)

Spouse acquired shares through acquisitions under 401(k) plan. By trustee of the Temple-Inland Salaried Savings Plan according to the latest report of the Plan Administrator. (Note: Trustee uses unit accounting; therefore, share equivalents may fluctuate slightly from month to month.)
 - (5) Options Vesting Schedule - Exercise price is \$9.83: Options Exercisable 08/01/2007 - 333.
 - (7) Shares acquired in a pro rata distribution by Temple-Inland Inc. through a spin-off on or around December 28, 2007.
 - (8) Options Vesting Schedule - Exercise price of \$15.02: Options Exercisable 02/06/2007 - 416; Options Exercisable 02/06/2008 - 417.
 - (9) Options Vesting Schedule - Exercise price of \$20.26: Options Exercisable 02/04/2007 - 416; Options Exercisable 02/04/2008 - 417; Options Exercisable 02/04/2009 - 417.
 - (10) Options Vesting Schedule - Exercise price of \$27.06: Options Exercisable 02/03/2007 - 533; Options Exercisable 02/03/2008 - 533; Options Exercisable 02/03/2009 - 533; and Options Exercisable 02/03/2010 - 534.
 - (11) Options Vesting Schedule - Exercise price of \$30.56: Options Exercisable 02/02/2008 - 533; Options Exercisable 02/02/2009 - 533; Options Exercisable 02/02/2010 - 533; and Options Exercisable 02/02/2011 - 534.
 - (12) 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.
 - (13) 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.
 - (14) 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.

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- (15) 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.
- 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)
- (17) 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.
- (18) 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.

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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