JOHNSON JAMES A /DC/
Form 4
November 03, 2011

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 *
JOHNSON JAMES A /DC/

(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)
11/02/2011

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

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)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	11/02/2011		M		1,334	A	(1)	14,331	D	
Common Stock	11/02/2011		D		669	D	$ 13.83	13,662 (2)	D	

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. 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 Underlying Securities (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option (right to buy) (3) (4)	$ 6.73							02/04/2001	02/04/2015	Common Stock	1,333
Option (right to buy) (4) (5)	$ 5.98							01/02/2002	01/02/2016	Common Stock	1,333
Option (right to buy) (4) (6)	$ 7.08							01/02/2003	01/02/2017	Common Stock	1,333
Option (right to buy) (4) (7)	$ 13.26							02/01/2003	02/01/2012	Common Stock	666
Option (right to buy) (8)	$ 28.85							02/12/2009	02/12/2018	Common Stock	20,000
Phantom (4) (9)	(9)	11/02/2011		M			1,334 (10)	11/02/2007	11/02/2021	Common Stock	1,334 (9)
Restricted Share Units (11)	(11)							(11)	(11)	Common Stock	1,766

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
JOHNSON JAMES A /DC/ 6300 BEE CAVE ROAD BUILDING TWO, SUITE 500 AUSTIN, TX 78746	X			

Signatures

David M. Grimm signing on behalf of James A. Johnson	11/03/2011
**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)	The reporting person's annual installment of phantom shares was settled 665 shares in stock and 669 shares in cash. See footnote (10) below.
(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 $6.73: Options Exercisable 02/04/2004 - 1,333.
(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 $5.98: Options Exercisable 01/02/2005 - 1,333.
(6)	Options Vesting Schedule - Exercise price is $7.08: Options Exercisable 01/02/2006 - 1,333.
(7)	Options Vesting Schedule - Exercise price is $13.26: Options Exercisable 02/01/2006 - 666.
(8)	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.
(9)	Phantom shares accrued under a Temple-Inland Inc. plan being settled in 15 annual installments following Reporting Person's retirement from Temple-Inland Inc. in November 2007. The first installment was paid in November 2007.
(10)	Reporting Person retired from Temple-Inland Inc. effective November 2, 2007, and he received his 2011 installment of his deferred phantom stock on November 2, 2011. See footnote (9) above. Settlement is payable in cash and stock: 669 shares payable in cash and 665 shares payable in stock.
(11)	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.

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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