JOHNSON JAMES A /DC/

Form 4

November 16, 2011

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB

OMB APPROVAL

3235-0287 Number:

January 31, Expires: 2005

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response...

if no longer subject to Section 16. Form 4 or

Check this box

Form 5 obligations may continue. See Instruction

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(b).

(Print or Type Responses)

JOHNSON JAMES A /DC/		_	2. Issuer Name and Ticker or Trading Symbol Forestar Group Inc. [FOR]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)			
(Last)	(First)	(Middle)	3. Date of Earliest Transaction	(Check an approach)			
			(Month/Day/Year)	_X_ Director 10% Owner			
6300 BEE CA	AVE		11/16/2011	Officer (give title Other (specify below)			
ROAD, BUII	LDING TW	O, SUITE		below)			
500							
	(Street)		4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check			
			Filed(Month/Day/Year)	Applicable Line)			
				X Form filed by One Reporting Person			

AUSTIN, TX 78746

(State)

(Zip)

(City)

Table I - Non-Derivative	Securities Acquire	d. Disposed of, o	r Beneficially Owned

						-	•		~
1.Title of Security	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if	3. Transactio	4. Securi			5. Amount of Securities	6. Ownership Form: Direct	7. Nature of Indirect
(Instr. 3)	, ,	any	Code	(Instr. 3,		` ′	Beneficially	(D) or	Beneficial
		(Month/Day/Year)	(Instr. 8)				Owned	Indirect (I)	Ownership
							Following	(Instr. 4)	(Instr. 4)
					(A)		Reported		
					(A)		Transaction(s)		
			Code V	Amount		Price	(Instr. 3 and 4)		
Common Stock	11/16/2011		S	665	D	\$ 15.02	12,997 (1)	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)

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8. I Der Sec (In:

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. orNumber of Derivativ 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) (2) (3)	\$ 6.73					02/04/2001	02/04/2015	Common Stock	1,333
Option (right to buy) (3) (4)	\$ 5.98					01/02/2002	01/02/2016	Common Stock	1,333
Option (right to buy) (3) (5)	\$ 7.08					01/02/2003	01/02/2017	Common Stock	1,333
Option (right to buy) (6)	\$ 28.85					02/12/2009	02/12/2018	Common Stock	20,000
Phantom (3) (7)	<u>(7)</u>					11/02/2007	11/02/2021	Common Stock	1,334 (7)
Restricted Share Units (8)	<u>(8)</u>					<u>(8)</u>	(8)	Common Stock	1,498

Reporting Owners

Reporting Owner Name / Address	Relationships					
Treporting of the remove remove and	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

11/16/2011

**Signature of Reporting Person Date

Reporting Owners 2

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) 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.
- (2) Options Vesting Schedule Exercise price is \$6.73: Options Exercisable 02/04/2004 1,333.
- (3) Shares acquired in a pro rata distribution by Temple-Inland Inc. through a spin-off on or around December 28, 2007.
- (4) Options Vesting Schedule Exercise price is \$5.98: Options Exercisable 01/02/2005 1,333.
- (5) Options Vesting Schedule Exercise price is \$7.08: Options Exercisable 01/02/2006 1,333.
- 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.
- (7) 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.
- (8) 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. 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.