Dickson Bruce Fairchild Form 4 February 16, 2012

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

if no longer subject to Section 16. Form 4 or Form 5

Check this box

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, obligations Section 17(a) of the Public Utility Holding Company Act of 1935 or Section may continue. 30(h) of the Investment Company Act of 1940

See Instruction

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person	n
Dielzeen Pruse Feirebild	

(First) (Middle) (Last)

6300 BEE CAVE ROAD, BUILDING TWO, SUITE 500

(State)

(Street)

AUSTIN, TX 78746

(City)

Common

Stock

2. Issuer Name and Ticker or Trading

Symbol

Forestar Group Inc. [FOR]

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

02/14/2012

4. If Amendment, Date Original

Filed(Month/Day/Year)

X_ Officer (give title below) Chief Real Estate Officer

Director

Issuer

6. Individual or Joint/Group Filing(Check Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting Person

5. Relationship of Reporting Person(s) to

(Check all applicable)

10% Owner

Other (specify

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of 2. Transaction Date 2A. Deemed Security (Month/Day/Year) Execution Date, if (Instr. 3)

(Month/Day/Year)

(Zip)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 3, 4 and 5) (Instr. 8)

5. Amount of Securities Beneficially Owned Following Reported

6. Ownership 7. Nature of Form: Direct (D) or Indirect (I) (Instr. 4)

Indirect Beneficial Ownership (Instr. 4)

OMB APPROVAL

3235-0287

January 31,

2005

0.5

OMB

Number:

Expires:

response...

Estimated average

burden hours per

(A) Transaction(s) or (Instr. 3 and 4)

Code V Amount (D) Price

19,623 (1) D

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

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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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. Number of orDerivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and A Underlying S (Instr. 3 and	Securiti
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amou or Numb of Sha
Option (right to buy) (2)	\$ 16.11	02/14/2012		A	34,871	02/14/2013	02/14/2022	Common Stock	34,8
Restricted Share Units (3)	(3)	02/14/2012		A	13,656	(3)	(3)	common Stock	13,6
Performance Units	<u>(4)</u>	02/14/2012		A	17,361	<u>(4)</u>	02/14/2015	Common Stock	17,3

Reporting Owners

Reporting Owner Name / Address	Relationships					
	Director	100% Oxymor	Officer	Other		

Dickson Bruce Fairchild 6300 BEE CAVE ROAD BUILDING TWO, SUITE 500 AUSTIN, TX 78746

Chief Real Estate Officer

Signatures

David M. Grimm signing on behalf of Bruce F.

Dickson

02/16/2012

**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) 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) Vesting schedule for Options granted 02/14/2012 Exercise price is \$16.11: Options Exercisable 02/14/2013 8,717; Options Exercisable 02/14/2014 8,718; Options Exercisable 02/14/2015 8,718; and Options Exercisable 02/14/2016 8,718.
- (3) Restricted share units granted on 2/14/2012 will vest as follows: 4,552 on 2/14/2013; 4,552 on 2/14/2014; 4,552 on 2/14/2015. Restricted share units will be settled for cash based on the fair market value on vesting date.
- (4) Number of units received upon vesting will vary depending upon performance of Company stock over the performance period.

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.

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