Etheredge Charles T JR Form 4 February 11, 2013

FORM 4

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

OMB APPROVAL

Number: 3235-0287

January 31,

Estimated average

Expires:

burden hours per response... 0.5

Other (specify

Check this box if no longer subject to Section 16. Form 4 or

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934

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

(Print or Type Responses)

1(b).

1. Name and Address of Reporting Person *

Etheredge Charles T JR

2. Issuer Name and Ticker or Trading
Symbol

Forestar Group Inc. [FOR]

(Last) (First) (Middle)

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Check all applicable)

6300 BEE CAVE ROAD, BUILDING TWO, SUITE 500

(Street)

4. If Amendment, Date Original

Filed(Month/Day/Year)

02/08/2013

6. Individual or Joint/Group Filing(Check Applicable Line)
X Form filed by One Reporting Person

Form filed by More than One Reporting

Executive Vice President

X_ Officer (give title

below)

Person

AUSTIN, TX 78746

(City)	(State)	Zip) Table	e I - Non-D	erivative	Secur	ities Acqu	uired, Disposed of	, or Beneficiall	y 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)	n(A) or Di	Securities Acquired A) or Disposed of (D) nstr. 3, 4 and 5)		5. Amount of Securities Beneficially Owned Following	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	Reported Transaction(s) (Instr. 3 and 4)		
Common Stock	02/08/2013		M	1,793 (1)	A	\$0	35,643 <u>(2)</u>	D	
Common Stock	02/08/2013		D	1,793 (1)	D	\$0	33,850	D	
Common Stock	02/09/2013		F	1,975	D	\$ 18.43	31,875 <u>(3)</u>	D	

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

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displays a currently valid OMB control number.

 $\label{thm:convergence} \begin{tabular}{ll} Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned \\ (e.g., puts, calls, warrants, options, convertible securities) \end{tabular}$

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)	Secur Acqui (A) or	rivative ities ired rosed of . 3, 4,	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount Underlying Securitie (Instr. 3 and 4)	
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amour or Number of Shar
Option (right to buy) (4) (5)	\$ 15.02						02/06/2005	02/06/2014	Common Stock	533
Option (right to buy) (5) (6)	\$ 20.26						02/04/2006	02/04/2015	Common Stock	533
Option (right to buy) (5) (7)	\$ 27.06						02/03/2007	02/03/2016	Common Stock	1,70
Option (right to buy) (5) (8)	\$ 30.56						02/02/2006	02/02/2017	Common Stock	1,70
Option (right to buy) (9)	\$ 28.85						02/12/2009	02/12/2018	Common Stock	42,80
Option (right to buy) (10)	\$ 9.29						02/10/2010	02/10/2019	Common Stock	14,16
Option (right to buy) (11)	\$ 17.8						02/09/2011	02/09/2020	Common Stock	8,58
Option (right to buy) (12)	\$ 18.59						02/08/2012	02/08/2021	Common Stock	21,76
Option (right to buy) (13)	\$ 16.11						02/14/2013	02/14/2022	Common Stock	24,14
Stock Appreciation Right (14)	\$ 9.29						02/10/2010	02/10/2019	Common Stock	31,52
Stock Appreciation Right (15)	\$ 17.8						02/09/2011	02/09/2020	Common Stock	10,07
Restricted Share Units	(16)						<u>(16)</u>	(16)	Common Stock	5,08
	<u>(17)</u>	02/08/2013		M		1,793	(17)	(17)		1,79

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Restricted Share Units (17)				Common Stock	
Restricted Share Units (18)	<u>(18)</u>	(18)	(18)	Common Stock	8,38
Performance Units	<u>(19)</u>	(19)	02/08/2014	Common Stock	10,31
Performance Units	<u>(19)</u>	(19)	02/14/2012	Common Stock	12,01

Reporting Owners

Reporting Owner Name / Address

Director 10% Owner Officer Other

Etheredge Charles T JR 6300 BEE CAVE ROAD BUILDING TWO, SUITE 500 AUSTIN, TX 78746

Executive Vice President

Signatures

David M. Grimm signing on behalf of Charles T. Etheredge, Jr.

02/11/2013

**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 stock units vested 2/8/2013. Restricted stock units are being settled for cash based on the fair market value on 2/8/2013.
- (2) Revised total corrects clerical error on direct shares owned
- (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) Options Vesting Schedule Exercise price of \$15.02: Options Exercisable 02/06/2007 400; Options Exercisable 02/06/2008 133.
- (5) Shares acquired in a pro rata distribution by Temple-Inland Inc. through a spin-off on or around December 28, 2007.
- 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.
- 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.
- Options Vesting Schedule Exercise price of \$30.56: Options Exercisable 02/02/2008 427; Options Exercisable 02/02/2010 427; Options Exercisable 02/02/2011 427.
- (9) Options Vesting Schedule for Options Granted 02/12/2008 Exercise price is \$28.85: Options Exercisable 02/12/2009 10,700; Options Exercisable 02/12/2010 10,700; Options Exercisable 02/12/2011 10,700; Options Exercisable 02/12/2012 10,700.
- Vesting schedule for Options granted 02/10/2009 Exercise price is \$9.29: Options Exercisable 02/10/2010 3,540; Options Exercisable 02/10/2011 3,540; Options Exercisable 02/10/2011 3,540; Options Exercisable 02/10/2012 3,541; and Options Exercisable 02/10/2013 3,541.

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Reporting Owners 3

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- Vesting schedule for Options granted 02/9/2010 Exercise price is \$17.80: Options Exercisable 02/9/2011 2,145; Options Exercisable 02/9/2012 2,145; Options Exercisable 02/9/2013 2,145; and Options Exercisable 02/9/2014 2,145.
- Vesting schedule for Options granted 02/8/2011 Exercise price is \$18.59: Options Exercisable 02/8/2012 5,440; Options Exercisable 02/8/2013 5,440; Options Exercisable 02/8/2015 5,441.
- Vesting schedule for Options granted 02/14/2012 Exercise price is \$16.11: Options Exercisable 02/14/2013 6,035; Options Exercisable 02/14/2014 6,036; Options Exercisable 02/14/2015 6,035; and Options Exercisable 02/14/2016 6,036.
- (14) Vesting schedule for Stock Appreciation Rights (SARs) granted 02/10/2009 Exercise price is \$9.29: SARs Exercisable 02/10/2010 7,880; SARs Exercisable 02/10/2011 7,881; SARs Exercisable 02/10/2012 7,881; and SARs Exercisable 02/10/2013 7,881.
- Vesting schedule for Stock Appreciation Rights (SARs) granted 02/9/2010 Exercise price is \$17.80: SARs Exercisable 02/9/2011 2,518; SARs Exercisable 02/9/2012 2,518; SARs Exercisable 02/9/2013 2,518; and SARs Exercisable 02/9/2014 2,518. SARs will be settled for cash.
- (16) 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.
- (17) 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.
- (18) Restricted share units granted on 2/14/2012 will vest as follows: 2,794 on 2/14/2013; 2,793 on 2/14/2014; 2,793 on 2/14/2015. 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.

 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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