Nines Christopher L Form 4 February 11, 2013

## FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

**OMB** 3235-0287

**OMB APPROVAL** 

Number: Expires:

January 31, 2005

Estimated average burden hours per

response... 0.5

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

**SECURITIES** obligations may continue.

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 See Instruction

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * Nines Christopher L	2. Issuer Name <b>and</b> Ticker or Trading Symbol Forestar Group Inc. [FOR]	5. Relationship of Reporting Person(s) to Issuer  (Check all applicable)  Director 10% Owner X_ Officer (give title Other (specification) below)  Chief Financial Officer			
(Last) (First) (Middle) 6300 BEE CAVE ROAD, BUILDING TWO, SUITE 500	3. Date of Earliest Transaction (Month/Day/Year) 02/08/2013				
(Street) AUSTIN, TX 78746	4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person			

(City)	(State)	(Zip)	Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned
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1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Secur on(A) or D (Instr. 3,	ispose	d of (D)	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	1,524 (1)	A	\$ 0	40,918	D	
Common Stock	02/08/2013	D	1,524 (1)	D	\$ 0	39,394	D	
Common Stock	02/09/2013	F	1,795	D	\$ 18.43	37,599 <u>(2)</u>	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)	e 3A. Deemed Execution Date, if any (Month/Day/Year)	Code	Securi Acqui (A) or	erivative rities sired or osed of 3, 4,	Expiration Dat	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) (3) (4)	\$ 9.83						08/01/2006	08/01/2013	Common Stock	333	
Option (right to buy) (4) (5)	\$ 15.02						02/06/2005	02/06/2014	Common Stock	833	
Option (right to buy) (4) (6)	\$ 20.26						02/04/2007	02/04/2015	Common Stock	1,25	
Option (right to buy) (4) (7)	\$ 27.06						02/03/2007	02/03/2016	Common Stock	2,13	
Option (right to buy) (4) (8)	\$ 30.56						02/02/2008	02/02/2017	Common Stock	2,13	
Option (right to buy) (9)	\$ 28.85						02/12/2009	02/12/2018	Common Stock	22,30	
Option (right to buy) (10)	\$ 9.29						02/12/2010	02/12/2019	Common Stock	17,70	
Option (right to buy) (11)	\$ 17.8						02/09/2011	02/09/2020	Common Stock	10,75	
Option (right to buy) (12)	\$ 18.59						02/08/2012	02/08/2021	Common Stock	20,77	
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	39,40	
Stock Appreciation Right (15)	\$ 17.8						02/09/2011	02/09/2020	Common Stock	12,62	
Restricted Share Units	<u>(16)</u>						(16)	(16)	Common Stock	6,37	

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Restricted Share Units (17)	<u>(17)</u>	02/08/2013	M	1,524	<u>(17)</u>	(17)	Common Stock	1,52
Restricted Share Units (18)	<u>(18)</u>				(18)	<u>(18)</u>	Common Stock	9,00
Performance Units	<u>(19)</u>				(19)	02/08/2014	Common Stock	9,84
Performance Units	(19)				(19)	02/14/2015	Common Stock	12,01

## **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

02/11/2013

\*\*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) 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 \$9.83: Options Exercisable 08/01/2007 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 of \$15.02: Options Exercisable 02/06/2007 416; Options Exercisable 02/06/2008 417.
- 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.
- 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.
- 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.
- 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.
- 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.

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- 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.
- Vesting schedule for Options granted 02/8/2011 Exercise price is \$18.59: Options Exercisable 02/8/2012 5,193; Options Exercisable 02/8/2013 5,193; Options Exercisable 02/8/2015 5,193.
- 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.
- 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) 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: 1,524 on 2/8/2012; 1,524 on 2/8/2013; 1,524 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: 3,001 on 2/14/2013; 3,000 2/14/2014; 3,000 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.

  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.