DeCosmo James M Form 4 February 11, 2013

## FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

**SECURITIES** 

OMB 3235-0287

**OMB APPROVAL** 

Number: January 31,

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

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 30(n) of the Investment Cor

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * DeCosmo James M			2. Issuer Name <b>and</b> Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer		
a o a a a a a a a a a a a a a a a a a a		(Middle)	Forestar Group Inc. [FOR]	(Check all applicable)		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year)	X Director 10% Owner		
6300 BEE CAVE ROAD, BUILDING TWO, SUITE 500			(Month/Day/Year) 02/08/2013	X Director 10% Owner 10% Owner Other (special below) Other (special below) CEO - President		
(Street)			4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Chec		
A LIGHTLY TOY O	107.46		Filed(Month/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting		

AUSTIN, TX 78746

(City)	(State) (	(Zip) 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 on(A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
Common Stock	02/08/2013		Code V	Amount 2,689 (1)	(A) or (D)	Price \$ 0	Transaction(s) (Instr. 3 and 4) 119,836	D		
Common Stock	02/08/2013		D	2,689 (1)	D	\$ 0	117,147	D		
Common Stock	02/09/2013		F	2,895	D	\$ 18.43	114,252 <u>(2)</u>	D		

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form

SEC 1474

(9-02)

Person

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## displays a currently valid OMB control number.

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. Transactic Code (Instr. 8)	Secur Acqui (A) or	rivative ities ired rosed of . 3, 4,	6. Date Exercise Expiration Date (Month/Day/Y	e	7. Title and A Underlying S (Instr. 3 and	Securitie
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amour Numbe Shares
Option (right to buy) (3) (4)	\$ 15.02						02/06/2005	02/06/2014	Common Stock	1,66
Option (right to buy) (4) (5)	\$ 20.26						02/04/2006	02/04/2015	Common Stock	5,33
Option (right to buy) (4) (6)	\$ 27.06						02/03/2007	02/03/2016	Common Stock	6,15
Option (right to buy) (4) (7)	\$ 30.56						02/02/2008	02/02/2017	Common Stock	6,15
Option (right to buy) (8)	\$ 28.85						02/12/2009	02/12/2018	Common Stock	74,0
Option (right to buy) (9)	\$ 9.29						02/10/2010	02/10/2019	Common Stock	59,0
Option (right to buy) (10)	\$ 17.8						02/09/2011	02/09/2020	Common Stock	32,0
Option (right to buy) (11)	\$ 18.59						02/08/2012	02/08/2021	Common Stock	54,4
Option (right to buy) (12)	\$ 16.11						02/14/2013	02/14/2022	Common Stock	59,0
Stock Appreciation Right (13)	\$ 9.29						02/10/2010	02/10/2019	Common Stock	131,3
Stock Appreciation Right (14)	\$ 17.8						02/09/2011	02/09/2020	Common Stock	37,5
Restricted Share Units	(15)						(15)	<u>(15)</u>	Common Stock	18,9
Restricted	(16)	02/08/2013		M		2,689	(16)	(16)	Common	2,68

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Share Units (16)				Stock	
Restricted Share Units (17)	(17)	<u>(17)</u>	(17)	Common Stock	24,2
Performance Units	<u>(18)</u>	(18)	02/08/2014	Common Stock	25,7
Performance Units	(18)	(18)	02/14/2015	Common Stock	29,3

## **Reporting Owners**

Reporting Owner Name / Address	Relationships						
reporting o where runner runners	Director	10% Owner	Officer	Other			
DeCosmo James M 6300 BEE CAVE ROAD BUILDING TWO, SUITE 500 AUSTIN, TX 78746	X		CEO - President				

## **Signatures**

David M. Grimm signing on behalf of James M. **DeCosmo** 

\*\*Signature of Reporting Person

## **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).
- 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. **(1)**
- In accordance with the Rights Agreement adopted by the Company on December 11, 2007, Preferred Stock Purchase Rights are deemed **(2)** to be attached to the shares of Common Stock.

02/11/2013

Date

- **(3)** Options Vesting Schedule - Exercise price of \$15.02: Options Exercisable 02/06/2007 - 1,250; Options Exercisable 02/06/2008 - 416.
- 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 of \$20.26: Options Exercisable 02/04/2007 2,666; Options Exercisable 02/04/2008 1,333; **(5)** Options Exercisable 02/04/2009 - 1,333.
- Options Vesting Schedule Exercise price of \$27.06: Options Exercisable 02/03/2007 1,537; Options Exercisable 02/03/2008 1,537; **(6)** Options Exercisable 02/03/2009 - 1,537; and Options Exercisable 02/03/2010 - 1,537.
- Options Vesting Schedule Exercise price of \$30.56: Options Exercisable 02/02/2008 1,537; Options Exercisable 02/02/2009 1,537; **(7)** Options Exercisable 02/02/2010 - 1,537; and Options Exercisable 02/02/2011 - 1,537.
- Options Vesting Schedule for Options Granted 02/12/2008 Exercise price is \$28.85: Options Exercisable 02/12/2009 18,500; Options (8) Exercisable 02/12/2010 - 18,500; Options Exercisable 02/12/2011 - 18,500; Options Exercisable 02/12/2012 - 18,500.
- Vesting schedule for Options granted 02/10/2009 Exercise price is \$9.29: Options Exercisable 02/10/2010 14,752; Options **(9)** Exercisable 02/10/2011 - 14,752; Options Exercisable 02/10/2012 - 14,753; and Options Exercisable 02/10/2013 - 14,753.
- Vesting schedule for Options granted 02/9/2010 Exercise price is \$17.80: Options Exercisable 02/9/2011 8,004; Options Exercisable 02/9/2012 - 8,004; Options Exercisable 02/9/2013 - 8,004; and Options Exercisable 02/9/2014 - 8,004.

**(11)** 

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- Vesting schedule for Options granted 02/8/2011 Exercise price is \$18.59: Options Exercisable 02/8/2012 13,600; Options Exercisable 02/8/2013 13,601; Options Exercisable 02/8/2014 13,600; and Options Exercisable 02/8/2015 13,601.
- (12) Vesting schedule for Options granted 02/14/2012 Exercise price is \$16.11: Options Exercisable 02/14/2013 14,753; Options Exercisable 02/14/2014 14,753; Options Exercisable 02/14/2015 14,753; and Options Exercisable 02/14/2016 14,754.
- (13) Vesting schedule for Stock Appreciation Rights (SARs) granted 02/10/2009 Exercise price is \$9.29: SARs Exercisable 02/10/2010 32,836; SARs Exercisable 02/10/2011 32,836; SARs Exercisable 02/10/2012 32,836; and SARs Exercisable 02/10/2013 32,837.
- Vesting schedule for Stock Appreciation Rights (SARs) granted 02/9/2010 Exercise price is \$17.80: SARs Exercisable 02/9/2011 -
- (14) 9,396; SARs Exercisable 02/9/2012 9,396; SARs Exercisable 02/9/2013 9,396; and SARs Exercisable 02/9/2014 9,396. SARs will be settled for cash.
- (15) 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.
- (16) Restricted share units granted on 2/8/2011 will vest as follows: 2,690 on 2/8/2012; 2,689 on 2/8/2013; 2,690 on 2/8/2014. Restricted share units will be settled for cash based on the fair market value on vesting date.
- (17) Restricted share units granted on 2/14/2012 will vest as follows: 8,070 on 2/14/2013; 8,069 on 2/14/2014; 8,070 on 2/14/2015. Restricted share units will be settled for cash based on the fair market value on vesting date.
- (18) 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.