DeCosmo James M Form 4 February 14, 2013

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

3235-0287

Expires:

January 31, 2005

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OMB APPROVAL

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

Check this box

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

Forestar Group Inc. [FOR]

3. Date of Earliest Transaction

1(b).

(Last)

(Print or Type Responses)

1. Name and Address of Reporting Person * DeCosmo James M

(Zip)

(First) (Middle)

6300 BEE CAVE ROAD, BUILDING TWO, SUITE 500

(Street)

(State)

4. If Amendment, Date Original

(Month/Day/Year)

02/12/2013

Symbol

Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading Issuer

(Check all applicable)

_X__ Director 10% Owner X_ Officer (give title Other (specify

CEO - President

6. Individual or Joint/Group Filing(Check

Applicable Line)

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

Table I Non Derivative Securities Acquired Disposed of an Paneficially Ov

below)

AUSTIN, TX 78746

(City)

(,)	()	Table 1 - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned								
1.Title of	2. Transaction Date	2A. Deemed	3.	4. Securit	ies Ac	quired	5. Amount of	6. Ownership	7. Nature of	
Security	(Month/Day/Year)	Execution Date, if	Transactio	on(A) or Dis	sposed	of (D)	Securities	Form: Direct	Indirect	
(Instr. 3)		any	Code	(Instr. 3, 4	and 5	5)	Beneficially	(D) or	Beneficial	
		(Month/Day/Year)	(Instr. 8)				Owned	Indirect (I)	Ownership	
							Following	(Instr. 4)	(Instr. 4)	
					(4)		Reported			
					(A)		Transaction(s)			
			Code V	Amount	or (D)	Price	(Instr. 3 and 4)			
Common Stock	02/12/2013		M	18,961 (1)	A	\$0	133,213	D		
Common Stock	02/12/2013		D	18,961 (1)	D	\$0	114,252	D		
Common Stock	02/12/2013		F	4,418	D	\$ 18.7	109,834 (2)	D		

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

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SEC 1474

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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. Transactio Code (Instr. 8)	5. Number of Derivative Securities (A) or Dis (D) (Instr. 3, 4	Acquired posed of	6. Date Exercise Expiration Date (Month/Day/Y	e	7. Title and A Underlying So (Instr. 3 and 4
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title
Option (right to buy) (3) (4)	\$ 15.02						02/06/2005	02/06/2014	Common Stock
Option (right to buy) (4) (5)	\$ 20.26						02/04/2006	02/04/2015	Common Stock
Option (right to buy) (4) (6)	\$ 27.06						02/03/2007	02/03/2016	Common Stock
Option (right to buy) (4) (7)	\$ 30.56						02/02/2008	02/02/2017	Common Stock
Option (right to buy) (8)	\$ 28.85						02/12/2009	02/12/2018	Common Stock
Option (right to buy) (9)	\$ 9.29						02/10/2010	02/10/2019	Common Stock
Option (right to buy) (10)	\$ 17.8						02/09/2011	02/09/2020	Common Stock
Option (right to buy) (11)	\$ 18.59						02/08/2012	02/08/2021	Common Stock
Option (right to buy) (12)	\$ 16.11						02/14/2013	02/14/2022	Common Stock
Option (right to buy) (13)	\$ 18.7	02/12/2013		A	53,606		02/12/2014	02/14/2023	Common Stock
Stock Appreciation Right (14)	\$ 9.29						02/10/2010	02/10/2019	Common Stock
Stock Appreciation Right (15)	\$ 17.8						02/09/2011	02/09/2020	Common Stock
Restricted Share Units	<u>(16)</u>	02/12/2013		M		18,961	<u>(16)</u>	(16)	Common Stock
Restricted	<u>(17)</u>						<u>(17)</u>	(17)	Common

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Share Units (17)							Stock
Restricted Share Units (18)	<u>(18)</u>				(18)	(18)	Common Stock
Restricted Share Units	<u>(19)</u>	02/12/2013	A	10,294	(19)	<u>(19)</u>	Common Stock
Performance Units	(20)				(20)	02/08/2014	Common Stock
Performance Units	(20)				(20)	02/14/2015	Common Stock
Performance Units	(20)	02/12/2013	A	26,084	(20)	02/12/2016	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships							
	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

02/14/2013

**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 2/12/2013. Restricted stock units are being settled for cash based on the fair market value on 2/12/2013.
- (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 of \$15.02: Options Exercisable 02/06/2007 1,250; Options Exercisable 02/06/2008 416.
- (4) 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 2,666; Options Exercisable 02/04/2008 1,333; 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; 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; Options Exercisable 02/02/2010 1,537; and Options Exercisable 02/02/2011 1,537.

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- Options Vesting Schedule for Options Granted 02/12/2008 Exercise price is \$28.85: Options Exercisable 02/12/2009 18,500; Options Exercisable 02/12/2010 18,500; Options Exercisable 02/12/2011 18,500; Options Exercisable 02/12/2012 18,500.
- (9) Vesting schedule for Options granted 02/10/2009 Exercise price is \$9.29: Options Exercisable 02/10/2010 14,752; Options Exercisable 02/10/2011 14,752; Options Exercisable 02/10/2012 14,753; and Options Exercisable 02/10/2013 14,753.
- (10) Vesting schedule for Options granted 02/09/2010 Exercise price is \$17.80: Options Exercisable 02/09/2011 8,004; Options Exercisable 02/09/2012 8,004; Options Exercisable 02/09/2013 8,004; and Options Exercisable 02/09/2014 8,004.
- (11) Vesting schedule for Options granted 02/08/2011 Exercise price is \$18.59: Options Exercisable 02/08/2012 13,600; Options Exercisable 02/08/2013 13,601; Options Exercisable 02/08/2014 13,600; and Options Exercisable 02/08/2015 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 Options granted 02/12/2013 Exercise price is \$18.70: Options Exercisable 02/12/2014 13,401; Options Exercisable 02/12/2015 13,402; Options Exercisable 02/12/2016 13,401; and Options Exercisable 02/12/2017 13,402.
- (14) 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 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.
- (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: 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.
- (18) Restricted share units granted on 02/14/2012 will vest as follows: 8,070 on 02/14/2013; 8,069 on 02/14/2014; 8,070 on 02/14/2015. Restricted share units will be settled for cash based on the fair market value on vesting date.
- (19) Restricted share units granted on 02/12/2013 will vest as follows: 3,432 on 02/12/2014; 3,431 on 02/12/2015; 3,431 on 02/12/2016. Restricted share units will be settled for cash based on the fair market value on vesting date.
- (20) 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.