Smith Flavious J. Jr. Form 4 February 12, 2009

## FORM 4

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549 STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

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

Form 5 obligations may continue.

See Instruction 1(b).

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

**SECURITIES** 

30(h) of the Investment Company Act of 1940

(Print or Type Responses)

(Last)

1. Title of

Security

(Instr. 3)

Common

Stock

1. Name and Address of Reporting Person \* Smith Flavious J. Jr.

(First) (Middle)

6300 BEE CAVE

ROAD, BUILDING TWO, SUITE 500

(Street)

**AUSTIN, TX 78746** 

2. Issuer Name and Ticker or Trading Symbol

Forestar Group Inc. [FOR]

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

02/10/2009

4. If Amendment, Date Original

Filed(Month/Day/Year)

Applicable Line)

Director

X\_ Officer (give title

\_X\_ Form filed by One Reporting Person Form filed by More than One Reporting

6. Individual or Joint/Group Filing(Check

5. Relationship of Reporting Person(s) to

(Check all applicable)

**Executive Vice President** 

10% Owner

Other (specify

Person

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

Issuer

below)

(City) (State)

> 2. Transaction Date 2A. Deemed (Month/Day/Year) Execution Date, if

(Zip)

(Month/Day/Year)

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

Reported (A) Transaction(s) or

Code V Amount (D) Price

5. Amount of Securities Beneficially Owned **Following** 

Form: Direct (D) or Indirect (I) (Instr. 4)

6. Ownership 7. Nature of Indirect Beneficial Ownership (Instr. 4)

**OMB APPROVAL** 

3235-0287

January 31,

2005

0.5

OMB

Number:

Expires:

response...

Estimated average

burden hours per

(Instr. 3 and 4)

 $22,970^{(1)}$ D

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form 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)

#### Edgar Filing: Smith Flavious J. Jr. - Form 4

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 Amoun Underlying Securiti (Instr. 3 and 4)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amor or Numl of Sh
Stock Appreciation Right (2)	\$ 9.29	02/10/2009		A	14,277	02/10/2010	02/10/2019	Common Stock	14,2
Restricted Share Units (3)	(3)	02/10/2009		A	6,055	<u>(3)</u>	<u>(3)</u>	Common Stock	6,0

# **Reporting Owners**

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Smith Flavious J. Jr. 6300 BEE CAVE ROAD BUILDING TWO, SUITE 500 AUSTIN, TX 78746

**Executive Vice President** 

## **Signatures**

David M. Grimm signing on behalf of Flavious J. Smith, Jr.

02/12/2009

\*\*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 Stock Appreciation Rights (SARs) granted 02/10/2009 Exercise price is \$9.29: SARs Exercisable 02/10/2010 3,569; SARs Exercisable 02/10/2011 3,569; SARs Exercisable 02/10/2012 3,569; and SARs Exercisable 02/10/2013 3,570.
- (3) Restricted share units granted on 2/10/2009 will vest effective 2/10/2012. Restricted share units will be settled for cash based on the fair market value on the vesting date subject to a 1% ROA performance criteria.

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.

Reporting Owners 2