JOHNSON JAMES A /DC/

Form 4

December 08, 2009

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

3235-0287

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OMB APPROVAL

Section 16. Form 4 or Form 5 obligations may continue.

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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 See Instruction

30(h) of the Investment Company Act of 1940

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * JOHNSON JAMES A /DC/			2. Issuer Name and Ticker or Trading Symbol Forestar Group Inc. [FOR]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)			
(Last)	(First)	(Middle)	3. Date of Earliest Transaction	(Check an applicable)			
6300 BEE C ROAD, BUI 500	—	O, SUITE	(Month/Day/Year) 12/08/2009	X Director 10% Owner Officer (give title below) Other (specify below)			
	(Street)		4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check			
AUSTIN, TX 78746			Filed(Month/Day/Year)	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 Acc	quired, Disposed of, or Beneficially Owned			

(City)	(State) (Zip) Table	e I - Non-D	erivative	Secur	ities Acq	uired, Disposed o	f, or Beneficial	ly Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	recution Date, if Transaction Code		ispose 4 and (A)	` ′	5. Amount of Securities Beneficially Owned Following Reported Transaction(s)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	
			Code V	Amount	or (D)	Price	(Instr. 3 and 4)		
Common Stock	12/08/2009	12/08/2009	M	6,666	A	\$ 19.03	18,332	D	
Common Stock	12/08/2009	12/08/2009	S	2,866	D	\$ 19	15,466	D	
Common Stock	12/08/2009	12/08/2009	S	100	D	\$ 19.01	15,366	D	
Common Stock	12/08/2009	12/08/2009	S	300	D	\$ 19.01	15,066	D	
Common Stock	12/08/2009	12/08/2009	S	300	D	\$ 19.03	14,766	D	

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Common Stock	12/08/2009	12/08/2009	S	100	D	\$ 19.05	14,666	D
Common Stock	12/08/2009	12/08/2009	S	100	D	\$ 19.05	14,566	D
Common Stock	12/08/2009	12/08/2009	S	2,700	D	\$ 19.07	11,866	D
Common Stock	12/08/2009	12/08/2009	S	100	D	\$ 19.09	11,766	D
Common Stock	12/08/2009	12/08/2009	S	100	D	\$ 19.11	11,666 (1)	D

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

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SEC 1474 (9-02)

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)	5. Number on f Derivati Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	ve Expiration Da (Month/Day/	6. Date Exercisable and Expiration Date (Month/Day/Year)		Amount of Securities 4)
				Code V	(A) (I	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option (right to buy) (2) (3)	\$ 13.24	12/08/2009		M	6,666	02/04/2001	02/04/2010	Common Stock	6,666
Option (right to buy) (3) (4)	\$ 6.73					02/04/2001	02/04/2015	Common Stock	1,333
Option (right to buy) (3) (5)	\$ 5.98					01/02/2002	2 01/02/2016	Common Stock	1,333
Option (right to buy) (3) (6)	\$ 11.76					02/02/2002	2 02/02/2011	Common Stock	666
Option (right to	\$ 7.08					01/02/2003	3 01/02/2017	Common Stock	1,333

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buy) (3) (7)					
Option (right to buy) (3) (8)	\$ 13.26	02/01/2003	02/01/2012	Common Stock	666
Option (right to buy) (9)	\$ 28.85	02/12/2009	02/12/2018	Common Stock	20,000
Phantom (3) (10)	<u>(10)</u>	11/02/2007	11/02/2021	Common Stock	16,009 (10)
Restricted Share Units (11)	(11)	(11)	<u>(11)</u>	Common Stock	15,350

Reporting Owners

Reporting Owner Name / Address	Relationships					
1 8	Director	10% Owner	Officer	Other		
JOHNSON JAMES A /DC/ 6300 BEE CAVE ROAD BUILDING TWO, SUITE 500 AUSTIN, TX 78746	X					

Signatures

David M. Grimm signing on behalf of James A.

Johnson

12/08/2009

**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) Options Vesting Schedule Exercise price is \$13.24: Options Exercisable 02/04/2004 6,666.
- (3) 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 is \$6.73: Options Exercisable 02/04/2004 1,333.
- (5) Options Vesting Schedule Exercise price is \$5.98: Options Exercisable 01/02/2005 1,333.
- (6) Options Vesting Schedule Exercise price is \$11.76: Options Exercisable 02/02/2005 666.
- (7) Options Vesting Schedule Exercise price is \$7.08: Options Exercisable 01/02/2006 1,333.
- (8) Options Vesting Schedule Exercise price is \$13.26: Options Exercisable 02/01/2006 666.
- Options Vesting Schedule for Options Granted 02/12/2008 Exercise price is \$28.85: Options Exercisable 02/12/2009 6,500; Options Exercisable 02/12/2010 6,500; Options Exercisable 02/12/2011 7,000.
- (10) Phantom shares accrued under a Temple-Inland Inc. plan being settled in 15 annual installments following Reporting Person's retirement from Temple-Inland Inc. in November 2007. The first installment was paid in November 2007.

(11)

Reporting Owners 3

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Restricted share units accrued under a Company plan to be settled in cash following Reporting Person's retirement or termination of services as a Director. Restricted share units are vested on the date of grant and have the economic equivalent of one share of common stock.

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