Smith Richard M Form 4 May 12, 2010

## FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

**SECURITIES** 

OMB Number:

3235-0287

January 31, 2005

0.5

Estimated average burden hours per

**OMB APPROVAL** 

response...

Expires:

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may continue.

See Instruction

Check this box

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person \* Smith Richard M

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to

Issuer

below)

(First) (Last)

(Middle)

Forestar Group Inc. [FOR] 3. Date of Earliest Transaction

4. If Amendment, Date Original

(Check all applicable)

10% Owner

Other (specify

Indirect

Beneficial

Ownership

(Instr. 4)

6300 BEE CAVE

ROAD, BUILDING TWO, SUITE

(Street)

(State)

500

Filed(Month/Day/Year)

(Month/Day/Year)

05/11/2010

6. Individual or Joint/Group Filing(Check

Applicable Line)

X\_ Director

Officer (give title

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

**AUSTIN, TX 78746** 

(City)

1. Title of

Security

(Instr. 3)

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

(Zip)

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

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned 5. Amount of 6. Ownership 7. Nature of Securities Form: Direct Beneficially (D) or Owned Indirect (I) **Following** (Instr. 4)

Reported Transaction(s)

or (Instr. 3 and 4)

Common Stock

Code V Amount (D) Price

(A)

 $8,469 \frac{(1)}{}$ D

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

(Month/Day/Year)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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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. Transacti Code (Instr. 8)	5. Number on f Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8 II S (
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Option (right to buy) (2) (3)	\$ 20.99					11/03/2007	11/03/2016	Common Stock	6,666	
Option (right to buy) (4)	\$ 28.85					02/12/2009	02/12/2018	Common Stock	20,000	
Restricted Share Units (5)	<u>(5)</u>	05/11/2010		A	936	<u>(5)</u>	<u>(5)</u>	Common Stock	936	

# **Reporting Owners**

Reporting Owner Name / Address	Relationships					
	Director	10% Owner	Officer	Other		
Smith Richard M 6300 BEE CAVE ROAD BUILDING TWO, SUITE 500 AUSTIN, TX 78746	X					

## **Signatures**

David M. Grimm signing on behalf of Richard M.
Smith

05/12/2010

\*\*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.
- Options Vesting Schedule Exercise price of \$20.99: Options Exercisable 11/03/2007 2,666; Options Exercisable 11/03/2008 2,666; Options Exercisable 11/03/2009 1,333.
- (3) Shares acquired in a pro rata distribution by Temple-Inland Inc. through a spin-off effective December 28, 2007.
- Options Vesting Schedule for Options Granted 02/12/2008 Exercise price is \$28.85: Options Exerciserable 02/12/2009 6,500; Options Exerciserable 02/12/2010 6,500; Options Exerciserable 02/12/2011 7,000.

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

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.