Forestar Group Inc. Form 4 August 11, 2010

FORM 4

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

Check this box if no longer

subject to Section 16. Form 4 or

Form 5 obligations

may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

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

(Print or Type Responses)

1. Name and Address of Reporting Person * **BRILL LOUIS**

(First) (Middle)

6300 BEE CAVE ROAD, BUILDING TWO, SUITE

500

(Last)

(Street)

(State)

(Zip)

AUSTIN, TX 78746

2. Issuer Name and Ticker or Trading Symbol

Forestar Group Inc. [FOR]

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

08/10/2010

4. If Amendment, Date Original

Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)

Officer (give title

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

5. Relationship of Reporting Person(s) to

(Check all applicable)

10% Owner

Other (specify

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

Issuer

below)

X_ Director

1. Title of Security (Instr. 3)

(City)

Common

Stock

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

(Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code (Instr. 8)

Disposed of (D) (Instr. 3, 4 and 5)

(A)

5. Amount of Securities Beneficially Owned Following Reported

Transaction(s)

6. Ownership 7. Nature of Form: Direct (D) or Indirect (I) (Instr. 4)

Indirect Beneficial Ownership (Instr. 4)

OMB APPROVAL

3235-0287

January 31,

2005

0.5

OMB

Number:

Expires:

response...

Estimated average

burden hours per

or Code V Amount (D) Price

(Instr. 3 and 4)

 $19,602 \frac{(1)}{2}$ 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)

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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 one Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exerci Expiration Da (Month/Day/Y	te	7. Title and Underlying (Instr. 3 and	Securities
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option (right to buy) (2) (3)	\$ 8.68					02/07/2004	08/31/2011	Common Stock	1,666
Option (right to buy) (3) (4)	\$ 15.02					02/06/2005	08/31/2011	Common Stock	2,666
Option (right to buy) (3) (5)	\$ 20.26					02/04/2006	08/31/2011	Common Stock	3,999
Option (right to buy) (6)	\$ 28.85					02/12/2009	02/12/2018	Common Stock	20,000
Restricted Share Units (7)	<u>(7)</u>	08/10/2010		A	1,534	<u>(7)</u>	<u>(7)</u>	Common Stock	1,534

Reporting Owners

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

Signatures

David M. Grimm signing on behalf of Louis R.

Brill

08/11/2010

Explanation of Responses:

**Signature of Reporting Person

- * 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.

Date

Reporting Owners 2

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- (2) Options Vesting Schedule Exercise price is \$8.68: Options Exercisable 02/07/07 1,666.
- (3) Shares acquired in a pro rata distribution by Temple-Inland Inc. through a spin-off on or around December 28, 2007.
- Option Vesting Schedule Exercise price of \$15.02: Options Exercisable 02/06/2007- 1,333; Options Exercisable 02/04/2008 1,333; Options Exercisable 02/06/2009 1,333.
- Option Vesting Schedule Exercise price of \$20.26: Options Exercisable 02/04/2007 1,333; Options Exercisable 02/04/2008 1,333; Options Exercisable 02/04/2009 1,333.
- 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.
- (7) 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.