Jehl Charles D Form 4 February 15, 2011

# FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

**SECURITIES** 

**OMB APPROVAL OMB** 

Number:

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0.5

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

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 * Jehl Charles D			2. Issuer Name and Ticker or Trading Symbol Forestar Group Inc. [FOR]	5. Relationship of Reporting Person(s) to Issuer		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction	(Check all applicable)		
6300 BEE C ROAD, BUI 500		O, SUITE	(Month/Day/Year) 02/12/2011	Director 10% Owner _X_ Officer (give title Other (specify below)  Chief Accounting Officer		
	(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 Ac	quired, Disposed of, or Beneficially Owned		

		1 401	bit 1 - Non-Derivative Securities Acquired, Disposed of, or Deficiency Owned							
1.Title of	2. Transaction Date	2A. Deemed	3.	4. Securiti	ies A	cquired	5. Amount of	6. Ownership	7. Nature of	
Security	(Month/Day/Year)	Execution Date, if	n Date, if Transaction(A) or Disposed of (D)			d of (D)	Securities	Form: Direct	Indirect	
(Instr. 3)		any	Code (Instr. 3, 4 and 5)			Beneficially	(D) or	Beneficial		
		(Month/Day/Year)	(Instr. 8)				Owned	Indirect (I)	Ownership	
							Following	(Instr. 4)	(Instr. 4)	
					(4)		Reported			
					(A)		Transaction(s)			
			C + V	A	or	ъ.	(Instr. 3 and 4)			
			Code V	Amount	(D)	Price				
Common Stock	02/12/2011		F	2,275	D	\$ 18.86	39,235 (1)	D		

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

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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. Transactic Code (Instr. 8)	5. orNumber of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)			7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option (right to buy) (2) (3)	\$ 9.83					08/01/2007	08/01/2013	Common Stock	166
Option (right to buy) (3) (4)	\$ 15.02					02/06/2005	02/06/2014	Common Stock	266
Option (right to buy) $\frac{(3)}{(5)}$	\$ 20.26					02/04/2007	02/04/2015	Common Stock	400
Option (right to buy) (3) (6)	\$ 27.06					02/03/2007	02/03/2016	Common Stock	1,708
Option (right to buy) $\frac{(3)}{(7)}$	\$ 30.56					02/02/2008	02/02/2017	Common Stock	1,708
Option (right to buy) (8)	\$ 28.85					02/12/2009	02/12/2018	Common Stock	22,300
Option (right to buy) (9)	\$ 9.29					02/12/2010	02/12/2019	Common Stock	17,703
Option (right to buy) (10)	\$ 17.8					02/09/2011	02/09/2020	Common Stock	10,757
Option (right to buy) (11)	\$ 18.59					02/08/2012	02/08/2021	Common Stock	20,772
Stock Appreciation Right (12)	\$ 9.29					02/10/2010	02/10/2019	Common Stock	39,404
Stock Appreciation Right (13)	\$ 17.8					02/09/2011	02/09/2020	Common Stock	12,628
Restricted Share Units	<u>(14)</u>					(14)	<u>(14)</u>	Common Stock	12,110
Restricted Share Units	<u>(15)</u>					<u>(15)</u>	(15)	Common Stock	6,371
	(16)					(16)	(16)		3,228

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Restricted Common Share Units (16)

Performance Units (17) 02/08/2014 Common Stock 9,845

### **Reporting Owners**

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Jehl Charles D 6300 BEE CAVE ROAD BUILDING TWO, SUITE 500 AUSTIN, TX 78746

Chief Accounting Officer

### **Signatures**

David M. Grimm signing on behalf of Charles D. Jehl

02/15/2011

\*\*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 \$9.83: Options Exercisable 08/01/2007 166.
- (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 of \$15.02: Options Exercisable 02/06/2007 133; Options Exercisable 02/06/2008 133.
- Options Vesting Schedule Exercise price of \$20.26: Options Exercisable 02/04/2007 133; Options Exercisable 02/04/2008 133; Options Exercisable 02/04/2009 134.
- Options Vesting Schedule Exercise price of \$27.06: Options Exercisable 02/03/2007 427; Options Exercisable 02/03/2008 427; Options Exercisable 02/03/2009 427; and Options Exercisable 02/03/2010 427.
- Options Vesting Schedule Exercise price of \$30.56: Options Exercisable 02/02/2008 427; Options Exercisable 02/02/2010 427; Options Exercisable 02/02/2011 427.
- Options Vesting Schedule for Options Granted 02/12/2008 Exercise price is \$28.85: Options Exercisable 02/12/2009 5,575; Options Exercisable 02/12/2010 5,575; Options Exercisable 02/12/2011 5,575; Options Exercisable 02/12/2012 5,575.
- (9) Vesting schedule for Options granted 02/10/2009 Exercise price is \$9.29: Options Exercisable 02/10/2010 4425; Options Exercisable 02/10/2011 4426; Options Exercisable 02/10/2012 4426; and Options Exercisable 02/10/2013 4426.
- Vesting schedule for Options granted 02/9/2010 Exercise price is \$17.80: Options Exercisable 02/9/2011 2,689; Options Exercisable 02/9/2012 2,689; Options Exercisable 02/9/2013 2,689; and Options Exercisable 02/9/2014 2,690.
- Vesting schedule for Options granted 02/8/2011 Exercise price is \$18.59: Options Exercisable 02/8/2012 5,193; Options Exercisable 02/8/2013 5,193; Options Exercisable 02/8/2015 5,193.
- (12) Vesting schedule for Stock Appreciation Rights (SARs) granted 02/10/2009 Exercise price is \$9.29: SARs Exercisable 02/10/2010 9,851; SARs Exercisable 02/10/2011 9,851; SARs Exercisable 02/10/2012 9,851; and SARs Exercisable 02/10/2013 9,851.
- (13) Vesting schedule for Stock Appreciation Rights (SARs) granted 02/9/2010 Exercise price is \$17.80: SARs Exercisable 02/9/2011 3,157; SARs Exercisable 02/9/2012 3,157; SARs Exercisable 02/9/2013 3,157; and SARs Exercisable 02/9/2014 3,157. SARs will

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be settled for cash.

- (14) 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.
- (15) 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.
- (16) Restricted share units granted on 2/8/2011 will vest as follows: 1,076 on 2/8/2012; 1,076 on 2/8/2013; 1,076 on 2/8/2014. Restricted share units will be settled for cash based on the fair market value on vesting date.
- (17) 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.