

Grimm David M
 Form 4
 November 07, 2011

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL
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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 *
 Grimm David M

(Last) (First) (Middle)

6300 BEE CAVE
 ROAD, BUILDING TWO, SUITE
 500

(Street)

AUSTIN, TX 78746

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 Forestar Group Inc. [FOR]

3. Date of Earliest Transaction
 (Month/Day/Year)
 11/04/2011

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
 Chief Administrative Officer

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 ___ Form filed by More than One Reporting Person

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

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	11/04/2011		M		666 A \$ 13.26	42,211 ⁽¹⁾	D
Common Stock	11/04/2011		F		630 D \$ 14.31	41,581	D
Common Stock	11/04/2011		M		533 A \$ 9.83	42,114 ⁽¹⁾	D
Common Stock	11/04/2011		F		411 D \$ 14.31	41,703 ⁽²⁾	D
Common Stock						1,000	I By Spouse

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

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(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. Transaction Code (Instr. 8)	5. Number of 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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option (right to buy) <u>(3)</u> <u>(4)</u>	\$ 13.26	11/04/2011		M	666	02/01/2003	02/01/2012	Common Stock	666
Option (right to buy) <u>(4)</u> <u>(5)</u>	\$ 9.83	11/04/2011		M	533	08/01/2004	08/01/2013	Common Stock	533
Option (right to buy) <u>(4)</u> <u>(6)</u>	\$ 15.02					02/06/2005	02/06/2014	Common Stock	400
Option (right to buy) <u>(4)</u> <u>(7)</u>	\$ 20.26					02/04/2006	02/04/2015	Common Stock	533
Option (right to buy) <u>(4)</u> <u>(8)</u>	\$ 27.06					02/03/2007	02/03/2016	Common Stock	1,708
Option (right to buy) <u>(4)</u> <u>(9)</u>	\$ 30.56					02/02/2008	02/02/2017	Common Stock	1,708
Option (right to buy) <u>(10)</u>	\$ 28.85					02/12/2009	02/12/2018	Common Stock	22,300
Option (right to buy) <u>(11)</u>	\$ 9.29					02/10/2010	02/10/2019	Common Stock	17,703
Option (right to buy) <u>(12)</u>	\$ 17.8					02/09/2011	02/09/2020	Common Stock	10,757
Option (right to buy) <u>(13)</u>	\$ 18.59					02/08/2012	02/08/2021	Common Stock	20,772
Stock Appreciation Right <u>(14)</u>	\$ 9.29					02/10/2010	02/10/2019	Common Stock	39,404
	\$ 17.8					02/09/2011	02/09/2020		12,628

Stock Appreciation Right ⁽¹⁵⁾				Common Stock	
Restricted Share Units ⁽¹⁶⁾	(16)	(16)	(16)	Common Stock	12,110
Restricted Share Units ⁽¹⁷⁾	(17)	(17)	(17)	Common Stock	6,371
Restricted Share Units ⁽¹⁸⁾	(18)	(18)	(18)	Common Stock	5,379
Performance Units ⁽¹⁹⁾	(19)	(19)	02/08/2014	Common Stock	9,845

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Grimm David M 6300 BEE CAVE ROAD BUILDING TWO, SUITE 500 AUSTIN, TX 78746			Chief Administrative Officer	

Signatures

David M. 11/07/2011
Grimm

**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) Reporting Person acquired additional shares by swapping shares already owned, resulting in a net increase.
- (2) 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.
- (3) Options Vesting Schedule - Exercise price is \$13.26: Options Exercisable 02/01/2006 - 666.
- (4) Shares acquired in a pro rata distribution by Temple-Inland Inc. through a spin-off on or around December 28, 2007.
- (5) Options Vesting Schedule - Exercise price is \$9.83: Options Exercisable 08/01/2007 - 533.
- (6) Options Vesting Schedule - Exercise price of \$15.02: Options Exercisable 02/06/2007 - 266; Options Exercisable 02/06/2008 - 134.
- (7) Options Vesting Schedule - Exercise price of \$20.26: Options Exercisable 02/04/2007 - 266; Options Exercisable 02/04/2008 - 133; Options Exercisable 02/04/2009 - 134.
- (8) 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.

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- (9) Options Vesting Schedule - Exercise price of \$30.56: Options Exercisable 02/02/2008 - 427; Options Exercisable 02/02/2009 - 427; Options Exercisable 02/02/2010 - 427; and Options Exercisable 02/02/2011 - 427.
- (10) 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.
- (11) 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.
- (12) 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.
- (13) 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 02/8/2014 - 5,193; and Options Exercisable 02/8/2015 - 5,193.
- (14) 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.
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 be settled for cash.
- (15) 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.
- (16) 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.
- (17) Restricted share units granted on 2/8/2011 will vest as follows: 1,793 on 2/8/2012; 1,793 on 2/8/2013; 1,793 on 2/8/2014. Restricted share units will be settled for cash based on the fair market value on vesting date.
- (18) 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.

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