

JOHNSON JAMES A /DC/
Form 4
February 12, 2009

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 *
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)
6300 BEE CAVE
ROAD, BUILDING TWO, SUITE
500
(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
02/10/2009

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

AUSTIN, TX 78746

(City) (State) (Zip)

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

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| Common Stock | | | | (A) or (D) Price | 11,001 ⁽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. 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>(2)</u> <u>(3)</u> | \$ 13.24 | | | | | 02/04/2001 | 02/04/2010 | Common Stock | 6,666 |
| Option (right to buy) <u>(3)</u> <u>(4)</u> | \$ 6.73 | | | | | 02/04/2001 | 02/04/2015 | Common Stock | 1,333 |
| Option (right to buy) <u>(3)</u> <u>(5)</u> | \$ 5.98 | | | | | 01/02/2002 | 01/02/2016 | Common Stock | 1,333 |
| Option (right to buy) <u>(3)</u> <u>(6)</u> | \$ 11.76 | | | | | 02/02/2002 | 02/02/2011 | Common Stock | 666 |
| Option (right to buy) <u>(3)</u> <u>(7)</u> | \$ 7.08 | | | | | 01/02/2003 | 01/02/2017 | Common Stock | 1,333 |
| Option (right to buy) <u>(3)</u> <u>(8)</u> | \$ 13.26 | | | | | 02/01/2003 | 02/01/2012 | Common Stock | 666 |
| Option (right to buy) <u>(9)</u> | \$ 28.85 | | | | | 02/12/2009 | 02/12/2018 | Common Stock | 20,000 |
| Phantom <u>(3)</u> <u>(10)</u> | <u>(10)</u> | | | | | 11/02/2007 | 11/02/2021 | Common Stock | 17,343 <u>(10)</u> |
| Restricted Share Units <u>(11)</u> | <u>(11)</u> | 02/10/2009 | | A | 10,898 | <u>(11)</u> | <u>(11)</u> | Common Stock | 10,898 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| JOHNSON JAMES A /DC/ 6300 BEE CAVE ROAD BUILDING TWO, SUITE 500 | X | | | |

AUSTIN, TX 78746

Signatures

David M. Grimm signing on behalf of James A.
Johnson

02/12/2009

__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 \$18.03: 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 \$9.28: Options Exercisable 02/04/2004 - 1,333.
- (5) Options Vesting Schedule - Exercise price is \$8.27: Options Exercisable 01/02/2005 - 1,333.
- (6) Options Vesting Schedule - Exercise price is \$16.04: Options Exercisable 02/02/2005 - 666.
- (7) Options Vesting Schedule - Exercise price is \$9.74: Options Exercisable 01/02/2006 - 1,333.
- (8) Options Vesting Schedule - Exercise price is \$18.05: Options Exercisable 02/01/2006 - 666.
- (9) 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) Restricted share units accrued under a Company plan to be in cash settled following Reporting Person's retirement.

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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