Etheredge Charles T JR Form 4 December 08, 2011

FORM 4

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

SECURITIES

Washington, D.C. 20549
STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

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

Check this box

Form 4 or
Form 5

obligations
may continue.

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

See Instruction 30(h) of the Investment Company Act of 1940

1(b).

(City)

(State)

(Zip)

(Print or Type Responses)

1. Name and Address of Reporting Person ** Etheredge Charles T JR	2. Issuer Name and Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer			
	Forestar Group Inc. [FOR]	(Check all applicable)			
(Last) (First) (Middle)	3. Date of Earliest Transaction				
	(Month/Day/Year)	Director 10% Owner			
6300 BEE CAVE	12/07/2011	_X_ Officer (give title Other (specify			
ROAD, BUILDING TWO, SUITE 500		below) below) Executive Vice President			
(Street)	4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check			
A VICTOR V TO TAK	Filed(Month/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting			
AUSTIN, TX 78746		Parson			

(City)	(State)	Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned									
1.Title of Security	2. Transaction Date (Month/Day/Year)	3. Transactio	4. Securi			5. Amount of Securities	6. Ownership Form: Direct	7. Nature of 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)		
					(A)		Reported				
					or		Transaction(s)				
			Code V	Amount		Price	(Instr. 3 and 4)				
Common Stock	12/07/2011		M	166	A	\$ 13.26	38,141 (1)	D			
Common Stock	12/07/2011		F	147	D	\$ 15.72	37,994 <u>(2)</u>	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)

OMB APPROVAL

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2005

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$\label{thm:convergence} \begin{tabular}{ll} Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned \\ (\emph{e.g.}, puts, calls, warrants, options, convertible securities) \\ \end{tabular}$

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)	Deriof Sector Acq (A) Disp of (I	ivative urities uired or bosed D) tr. 3, 4,	Expiration Dat	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) (3) (4)	\$ 13.26	12/07/2011		M		166	02/01/2006	02/01/2012	Common Stock	166	
Option (right to buy) (4) (5)	\$ 8.68						02/07/2005	02/07/2013	Common Stock	1,000	
Option (right to buy) (4) (6)	\$ 15.02						02/06/2005	02/06/2014	Common Stock	533	
Option (right to buy) (4) (7)	\$ 20.26						02/04/2006	02/04/2015	Common Stock	533	
Option (right to buy) (4) (8)	\$ 27.06						02/03/2007	02/03/2016	Common Stock	1,708	
Option (right to buy) (4) (9)	\$ 30.56						02/02/2006	02/02/2017	Common Stock	1,708	
Option (right to buy) (10)	\$ 28.85						02/12/2009	02/12/2018	Common Stock	42,800	
Option (right to buy) (11)	\$ 9.29						02/10/2010	02/10/2019	Common Stock	14,162	
Option (right to buy) (12)	\$ 17.8						02/09/2011	02/09/2020	Common Stock	8,580	
Option (right to buy) (13)	\$ 18.59						02/08/2012	02/08/2021	Common Stock	21,761	
Stock Appreciation Right (14)	\$ 9.29						02/10/2010	02/10/2019	Common Stock	31,523	
Stock Appreciation Right (15)	\$ 17.8						02/09/2011	02/09/2020	Common Stock	10,072	
Restricted Share Units (16)	(16)						(16)	(16)	Common Stock	9,688	

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Restricted Share Units (17)	<u>(17)</u>	(17)	<u>(17)</u>	Common Stock	5,081
Restricted Share Units	(18)	(18)	(18)	Common Stock	5,379
Performance Units	(19)	(19)	02/08/2014	Common Stock	10,314

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Etheredge Charles T JR 6300 BEE CAVE ROAD BUILDING TWO, SUITE 500 AUSTIN, TX 78746

Executive Vice President

Signatures

David M. Grimm signing on behalf of Charles T. Etheredge, Jr.

12/08/2011

**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) Reporting Person acquired additional shares by swapping shares already owned, resulting in a net increase in shares.
- (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 166.
- (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 \$8.68: Options Exercisable 02/07/2006 1,000.
- (6) Options Vesting Schedule Exercise price of \$15.02: Options Exercisable 02/06/2007 400; Options Exercisable 02/06/2008 133.
- 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.
- 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 10,700; Options Exercisable 02/12/2010 10,700; Options Exercisable 02/12/2011 10,700; Options Exercisable 02/12/2012 10,700.
- Vesting schedule for Options granted 02/10/2009 Exercise price is \$9.29: Options Exercisable 02/10/2010 3,540; Options Exercisable 02/10/2011 3,540; Options Exercisable 02/10/2012 3,541; and Options Exercisable 02/10/2013 3,541.
- Vesting schedule for Options granted 02/9/2010 Exercise price is \$17.80: Options Exercisable 02/9/2011 2,145; Options Exercisable 02/9/2012 2,145; Options Exercisable 02/9/2013 2,145; and Options Exercisable 02/9/2014 2,145.

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- Vesting schedule for Options granted 02/8/2011 Exercise price is \$18.59: Options Exercisable 02/8/2012 5,440; Options Exercisable 02/8/2013 5,440; Options Exercisable 02/8/2014 5,440; and Options Exercisable 02/8/2015 5,441.
- Vesting schedule for Stock Appreciation Rights (SARs) granted 02/10/2009 Exercise price is \$9.29: SARs Exercisable 02/10/2010 7,880; SARs Exercisable 02/10/2011 7,881; SARs Exercisable 02/10/2012 7,881; and SARs Exercisable 02/10/2013 7,881.
- Vesting schedule for Stock Appreciation Rights (SARs) granted 02/9/2010 Exercise price is \$17.80: SARs Exercisable 02/9/2011 2,518; SARs Exercisable 02/9/2012 2,518; SARs Exercisable 02/9/2013 2,518; and SARs Exercisable 02/9/2014 2,518. SARs will be settled for cash.
- (16) 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.
- (17) 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.
- (18) 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.
- (19) 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.