Forestar Group Inc. Form 4 February 13, 2014

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

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

1(b).

(Last)

(City)

Common

Stock

(Print or Type Responses)

1. Name and Address of Reporting Person * Reddy Sabita C.

(First) (Middle)

6300 BEE CAVE ROAD, BUILDING TWO, SUITE 500

(Street)

AUSTIN, TX 78746 (State)

2. Issuer Name and Ticker or Trading Symbol

Forestar Group Inc. [FOR]

3. Date of Earliest Transaction

(Month/Day/Year) 02/11/2014

4. If Amendment, Date Original

Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to

Issuer

(Check all applicable)

OMB APPROVAL

3235-0287

January 31,

2005

0.5

OMB

Number:

Expires:

response...

Estimated average

burden hours per

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

Vice President - Accounting

6. Individual or Joint/Group Filing(Check

Applicable Line)

X 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 2. Transaction Date 2A. Deemed Security (Month/Day/Year) Execution Date, if (Instr. 3) (Month/Day/Year)

02/11/2014

(Zip)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 3, 4 and 5) (Instr. 8)

5. Amount of Securities Beneficially Owned Following Reported

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

D

Indirect Beneficial Ownership (Instr. 4)

(9-02)

(A) Transaction(s) or (Instr. 3 and 4) (D) Price

Code V Amount

1.582 \$0 A (1)

 $2,919^{(2)}$

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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8. I Der Sec (Ins

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 on f 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) (3) (4)	\$ 27.06					<u>(4)</u>	02/03/2016	Common Stock	1,708
Option (right to buy) (3) (4)	\$ 30.56					<u>(4)</u>	02/02/2017	Common Stock	1,708
Option (right to buy)	\$ 18.7					(5)	02/12/2023	Common Stock	2,437
Restricted Share Units (6)	<u>(6)</u>	02/11/2014		A	988	<u>(6)</u>	<u>(6)</u>	Common Stock	988

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Reddy Sabita C. 6300 BEE CAVE ROAD BUILDING TWO, SUITE 500 AUSTIN, TX 78746

Vice President - Accounting

Signatures

David M. Grimm signing on behalf of Sabita C. Reddy 02/13/2014

**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) Restricted share units granted on 02/11/2014 will vest on 02/11/2017, to be settled with one share of common stock for each restricted share unit.

(2)

Reporting Owners 2

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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) Shares acquired in a pro rata distribution by Temple-Inland Inc. through a spin-off effective December 28, 2007.
- (4) Options are fully vested and exercisable as of the date of this report.
- Vesting schedule for Options granted 02/12/2013: Options Exercisable 02/12/2014 609; Options Exercisable 02/12/2015 609; Options Exercisable 02/12/2016 609; and Options Exercisable 02/12/2017 610.
- (6) Restricted share units granted on 02/11/2014 will vest as follows: 330 on 02/11/2015; 329 on 02/11/2016; 329 on 02/11/2017. Restricted share units will be settled for cash based on the fair market value on vesting date.

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.