Edgar Filing: Smith Richard M - Form 4

Smith Richard M Form 4 August 12, 2009											
FORM 4	UNITED S	STATES					NGE (COMMISSION		9PROVAL 3235-0287	
Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. <i>See</i> Instruction 1(b).	Washington, D.C. 20549 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							Expires: Estimated a burden hou response	Expires:January 31, 2005Estimated average burden hours per response0.5		
(Print or Type Respon	nses)										
1. Name and Address of Reporting Person <u>*</u> Smith Richard M			2. Issuer Name and Ticker or Trading Symbol Forestar Group Inc. [FOR]				g	5. Relationship of Reporting Person(s) to Issuer			
(Last) (First) (Middle) 6300 BEE CAVE ROAD, BUILDING TWO, SUITE 500			3. Date of Earliest Transaction (Month/Day/Year) 08/11/2009					(Check all applicable) <u>X</u> Director Officer (give title below) <u>Director</u> <u>Director</u> <u>below</u> <u>below</u> <u>below</u>			
(ndment, Date Original th/Day/Year)				 6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting 			
AUSTIN, TX 78	746							Form filed by M Person	Aore than One Re	eporting	
(City) (State) (Zip)	Table	I - Non-De	erivative S	ecurit	ties Ace	quired, Disposed o	f, or Beneficial	lly Owned	
	Transaction Date	Executio any		Code		(A) of of (D) 4 and (A) or)	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 Indirect Beneficial Ownership (Instr. 4)	
Common Stock								8,469 <u>(1)</u>	D		

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

 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. Transactio 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) (2) (3)	\$ 20.99					11/03/2007	11/03/2016	Common Stock	6,666
Option (right to buy) (4)	\$ 28.85					02/12/2009	02/12/2018	Common Stock	20,000
Restricted Share Units (5)	<u>(5)</u>	08/11/2009		А	1,491	(5)	(5)	Common Stock	13,826

Reporting Owners

Reporting Owner Name / Address	Relationships							
	Director	10% Owner	Officer	Other				
Smith Richard M 6300 BEE CAVE ROAD BUILDING TWO, SUITE 500 AUSTIN, TX 78746	Х							
Signatures								
David M. Grimm signing on beh Smith	08/12/2009							

**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 of \$20.99: Options Exercisable 11/03/2007 2,666; Options Exercisable 11/03/2008 2,666; Options Exercisable 11/03/2009 1,333.
- (3) Shares acquired in a pro rata distribution by Temple-Inland Inc. through a spin-off effective December 28, 2007.
- (4) Options Vesting Schedule for Options Granted 02/12/2008 Exercise price is \$28.85: Options Exerciserable 02/12/2009 6,500; Options Exerciserable 02/12/2011 7,000.

(5)

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Restricted share units accrued under a Company plan to be settled in cash settled following Reporting Person's retirement or termination of services as a Director. Restricted share units are vested on the date of grant and have the economic equivalent of one share of common stock.

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.