

Forestar Group Inc.
Form 4
November 17, 2009

FORM 4

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

OMB APPROVAL

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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 *
JASTROW KENNETH M II

(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)
11/16/2009

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)

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	11/16/2009	11/16/2009	M		66,666	A	\$ 13.24
Common Stock	11/16/2009	11/16/2009	F		47,237 (1)	D	\$ 18.65
Common Stock					3,787	I	(3)

By
Trustee
401(k)
Plan

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>(4)</u> <u>(5)</u>	\$ 20.69					05/07/2000 05/07/2009	Common Stock 32,000
Option (right to buy) <u>(4)</u> <u>(6)</u>	\$ 13.24	11/16/2009		M	66,666	02/04/2001 02/04/2010	Common Stock 66,666
Option (right to buy) <u>(4)</u> <u>(7)</u>	\$ 11.76					02/02/2002 02/02/2011	Common Stock 66,666
Option (right to buy) <u>(4)</u> <u>(8)</u>	\$ 13.26					02/01/2003 02/01/2012	Common Stock 33,333
Option (right to buy) <u>(4)</u> <u>(9)</u>	\$ 8.68					02/07/2004 02/07/2013	Common Stock 36,666
Option (right to buy) <u>(4)</u> <u>(10)</u>	\$ 15.02					02/06/2005 02/06/2014	Common Stock 33,333
Option (right to buy) <u>(4)</u> <u>(11)</u>	\$ 20.26					02/04/2006 02/04/2015	Common Stock 33,333
Option (right to buy) <u>(4)</u> <u>(12)</u>	\$ 27.06					02/03/2007 02/03/2016	Common Stock 34,166
Option (right to buy) <u>(13)</u>	\$ 28.85					02/12/2009 02/12/2018	Common Stock 20,000

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Options Vesting Schedule - Exercise price \$15.02: Options Exercisable 02/06/2005 - 8,333; Options Exercisable 02/06/2006 - 8,333; Options Exercisable 02/06/2007 - 8,333 and Options Exercisable 01/01/2008 -8,333.

- (11) Options Vesting Schedule - Exercise price \$20.26: Options Exercisable 02/04/2006 - 8,333; Options Exercisable 02/04/2007 - 8,333; and Options Exercisable 01/01/2008 -16,666.
- (12) Options Vesting Schedule - Exercise price \$27.06: Options Exercisable 02/03/2007 - 8,541; and Options Exercisable 01/01/2008 - 25,625.
- (13) Options Vesting Schedule for Options Granted 02/12/2008 - Exercise price \$28.85: Options Exercisable 02/12/2009 - 6,500; Options Exercisable 02/12/2010 - 6,500; Options Exercisable 02/12/2011 - 7,000.
- (14) Restricted share units are payable effective February 2, 2010, pursuant to Temple-Inland retirement agreement previously disclosed. Restricted share units will be settled for cash based on the fair market value on the payment date.
- (15) Restricted share units accrued under a Company plan to be settled in cash 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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