

Smith Flavious J. Jr.
Form 4
March 28, 2013

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 *
Smith Flavious J. Jr.

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

3. Date of Earliest Transaction
(Month/Day/Year)
03/26/2013

____ Director
 Officer (give title below)
____ 10% Owner
____ Other (specify below)
Executive Vice President

(Street)
AUSTIN, TX 78746

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

(City) (State) (Zip)

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)		
				Code	V	Amount				(A) or (D)	Price
Common Stock	03/26/2013		M			9,604	A	\$ 17.8	46,208	D	
Common Stock	03/26/2013		F			8,449	D	\$ 22.45	37,759	D	
Common Stock	03/26/2013		M			10,461	A	\$ 16.11	48,220	D	
Common Stock	03/26/2013		F			8,456	D	\$ 22.45	39,764	D	
Common Stock	03/26/2013		M			3,570	A	\$ 0	43,334	D	

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Common Stock	03/26/2013	D	3,570	D	\$ 0	39,764	D
Common Stock	03/26/2013	M	11,274	A	\$ 0	51,038	D
Common Stock	03/26/2013	D	11,274	D	\$ 0	39,764 ⁽¹⁾	D

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 Security (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option (right to buy) ⁽²⁾	\$ 17.8	03/26/2013		M	9,604	02/09/2011	02/09/2020	Common Stock	9,604
Option (right to buy) ⁽³⁾	\$ 18.59					02/08/2012	02/08/2021	Common Stock	24,700
Option (right to buy) ⁽⁴⁾	\$ 16.11	03/26/2013		M	10,461	02/14/2013	02/14/2022	Common Stock	10,461
Option (right to buy) ⁽⁵⁾	\$ 18.7					02/12/2014	02/12/2023	Common Stock	34,100
Stock Appreciation Right ⁽⁶⁾	\$ 9.29	03/26/2013		M	3,570	02/10/2010	02/10/2019	Common Stock	3,570
Stock Appreciation Right ⁽⁷⁾	\$ 17.8	03/26/2013		M	11,274	02/09/2011	02/09/2020	Common Stock	11,274
Restricted Share Units ⁽⁸⁾	⁽⁸⁾					⁽⁸⁾	⁽⁸⁾	Common Stock	2,000
Restricted Share Units	⁽⁹⁾					⁽⁹⁾	⁽⁹⁾	Common Stock	7,500

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- (9) Restricted share units granted on 2/14/2012 will vest as follows: 7,553 on 2/14/2013; 7,552 on 2/14/2014; 7,552 on 2/14/2015. Restricted share units will be settled for cash based on the fair market value on vesting date.
- (10) Restricted share units granted on 02/12/2013 will vest as follows: 2,689 on 02/12/2014; 2,688 on 02/12/2015; 2,689 on 02/12/2016. Restricted share units will be settled for cash based on the fair market value on vesting date.
- (11) 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.

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