

Forestar Group Inc.  
Form 4  
November 13, 2014

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2015  
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**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)  
11/11/2014

\_\_\_ Director \_\_\_ 10% Owner  
\_X\_ Officer (give title below) \_\_\_ Other (specify below)  
Chief Oil and Gas Officer

(Street)  
AUSTIN, TX 78746

4. If Amendment, Date Original Filed(Month/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 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)
				(A) or (D) Code V Amount Price			
Common Stock	11/11/2014		M	258 A \$ 0	50,174	D	
Common Stock	11/11/2014		F	258 D \$ 17.41	49,916 <sup>(1)</sup>	D	

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)

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) <sup>(2)</sup>	\$ 17.8					02/09/2011	02/09/2020	Common Stock	9,604
Option (right to buy) <sup>(3)</sup>	\$ 18.59					02/08/2012	02/08/2021	Common Stock	12,364
Option (right to buy) <sup>(4)</sup>	\$ 16.11					02/14/2013	02/14/2022	Common Stock	10,461
Option (right to buy) <sup>(5)</sup>	\$ 18.7					02/12/2014	02/12/2023	Common Stock	34,113
Stock Appreciation Right <sup>(6)</sup>	\$ 17.8					02/09/2011	02/09/2020	Common Stock	11,274
Restricted Share Units <sup>(7)</sup>	<sup>(7)</sup>					<sup>(7)</sup>	<sup>(7)</sup>	Common Stock	7,552
Restricted Share Units <sup>(8)</sup>	<sup>(8)</sup>					<sup>(8)</sup>	<sup>(8)</sup>	Common Stock	2,585
Restricted Share Units <sup>(9)</sup>	<sup>(9)</sup>	11/11/2014		M	258	<sup>(9)</sup>	<sup>(9)</sup>	Common Stock	258
Market Stock Units	<sup>(10)</sup>					<sup>(10)</sup>	02/14/2015	Common Stock	20,833
Market Stock Units	<sup>(10)</sup>					<sup>(10)</sup>	02/12/2016	Common Stock	16,599
Market Stock Units	<sup>(10)</sup>					<sup>(10)</sup>	02/11/2017	Common Stock	10,303

## Reporting Owners

Reporting Owner Name / Address

Relationships

Reporting Owners

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Director    10% Owner    Officer    Other

Smith Flavious J. Jr.  
6300 BEE CAVE ROAD  
BUILDING TWO, SUITE 500  
AUSTIN, TX 78746

Chief Oil and Gas Officer

## Signatures

David M. Grimm signing on behalf of Flavious J. Smith, Jr.

11/13/2014

\_\_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) 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) Vesting schedule for Options granted 02/09/2010 - Exercise price is \$17.80: Options Exercisable 02/09/2011 - 3,201; Options Exercisable 02/09/2012 - 3,202; Options Exercisable 02/09/2013 - 3,201; and Options Exercisable 02/09/2014 - 3,202.
- (3) Vesting schedule for Options granted 02/08/2011 - Exercise price is \$18.59: Options Exercisable 02/08/2012 - 6,182; Options Exercisable 02/08/2013 - 6,182; Options Exercisable 02/08/2014 - 6,182; and Options Exercisable 02/08/2015 - 6,182.
- (4) Vesting schedule for Options granted 02/14/2012 - Exercise price is \$16.11: Options Exercisable 02/14/2013 - 10,461; Options Exercisable 02/14/2014 - 10,461; Options Exercisable 02/14/2015 - 10,461; and Options Exercisable 02/14/2016 - 10,462.
- (5) Vesting schedule for Options granted 02/12/2013 - Exercise price is \$18.70: Options Exercisable 02/12/2014 - 8,528; Options Exercisable 02/12/2015 - 8,528; Options Exercisable 02/12/2016 - 8,528; and Options Exercisable 02/12/2017 - 8,529.
- (6) Vesting schedule for Stock Appreciation Rights (SARs) granted 02/09/2010 - Exercise price is \$17.80: SARs Exercisable 02/09/2011 - 3,758; SARs Exercisable 02/09/2012 - 3,758; SARs Exercisable 02/09/2013 - 3,758; and SARs Exercisable 02/09/2014 - 3,759. SARs will be settled for cash.
- (7) Restricted share units granted on 02/14/2012 will vest as follows: 7,553 on 02/14/2013; 7,552 on 02/14/2014; 7,552 on 02/14/2015. Restricted share units will be settled for cash based on the fair market value on vesting date.
- (8) Restricted share units granted on 02/12/2013 will vest as follows: 2,585 on 02/12/2014; 2,585 on 02/12/2015; 2,583 on 02/12/2016. Restricted share units will be settled for cash based on the fair market value on vesting date.
- (9) Restricted share units granted on 02/11/2014 will vest as follows: 2,215 on 02/11/2015; 2,215 on 02/11/2016; 2,215 on 02/11/2017. Restricted share units will be settled for cash based on the fair market value on vesting date.
- (10) 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.