

JOHNSON JAMES A /DC/  
Form 4  
December 08, 2009

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

OMB APPROVAL  
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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 \*  
JOHNSON JAMES A /DC/

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)  
12/08/2009

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

(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)
				(A) or (D)	Price		
Common Stock	12/08/2009	12/08/2009	M	6,666	A \$ 19.03	18,332	D
Common Stock	12/08/2009	12/08/2009	S	2,866	D \$ 19	15,466	D
Common Stock	12/08/2009	12/08/2009	S	100	D \$ 19.01	15,366	D
Common Stock	12/08/2009	12/08/2009	S	300	D \$ 19.01	15,066	D
Common Stock	12/08/2009	12/08/2009	S	300	D \$ 19.03	14,766	D

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Common Stock	12/08/2009	12/08/2009	S	100	D	\$ 19.05	14,666	D
Common Stock	12/08/2009	12/08/2009	S	100	D	\$ 19.05	14,566	D
Common Stock	12/08/2009	12/08/2009	S	2,700	D	\$ 19.07	11,866	D
Common Stock	12/08/2009	12/08/2009	S	100	D	\$ 19.09	11,766	D
Common Stock	12/08/2009	12/08/2009	S	100	D	\$ 19.11	11,666 <sup>(1)</sup>	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 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> <sup>(3)</sup>	\$ 13.24	12/08/2009		M		6,666		02/04/2001	02/04/2010	Common Stock	6,666
Option (right to buy) <sup>(3)</sup> <sup>(4)</sup>	\$ 6.73							02/04/2001	02/04/2015	Common Stock	1,333
Option (right to buy) <sup>(3)</sup> <sup>(5)</sup>	\$ 5.98							01/02/2002	01/02/2016	Common Stock	1,333
Option (right to buy) <sup>(3)</sup> <sup>(6)</sup>	\$ 11.76							02/02/2002	02/02/2011	Common Stock	666
Option (right to	\$ 7.08							01/02/2003	01/02/2017	Common Stock	1,333



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Restricted share units accrued under a Company plan to be settled in cash 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.

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