DeCosmo James M Form 4 December 06, 2011

Check this box

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

3235-0287

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if no longer

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

1(b).

(City)

(State)

(Zip)

(Print or Type Responses)

See Instruction

1. Name and Address of Reporting Person * 5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading DeCosmo James M Issuer Symbol Forestar Group Inc. [FOR] (Check all applicable) (Last) (First) (Middle) 3. Date of Earliest Transaction (Month/Day/Year) 10% Owner _X__ Director X_ Officer (give title Other (specify 6300 BEE CAVE 12/05/2011 below) ROAD, BUILDING TWO, SUITE CEO - President 500 (Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check Filed(Month/Day/Year) Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting AUSTIN, TX 78746

	(City)	(State)	Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned								
1.Tit Secu	le of rity	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if	3. Transactio	4. Securi		•	5. Amount of Securities	6. Ownership Form: Direct	7. Nature of Indirect	
(Inst	r. 3)	, ,	any	Code (Instr. 3, 4 and 5)			` ′	Beneficially	(D) or	Beneficial	
			(Month/Day/Year)	(Instr. 8)				Owned	Indirect (I)	Ownership	
								Following	(Instr. 4)	(Instr. 4)	
						(A)		Reported			
						or		Transaction(s)			
				Code V	Amount	(D)	Price	(Instr. 3 and 4)			
Cor	nmon ck	12/05/2011		M	2,000	A	\$ 13.26	135,157 (1)	D		
Con	nmon ck	12/05/2011		F	1,780	D	\$ 15.6	133,377 (2)	D		

tivo Commities Assuin

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

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$\label{thm:convergence} \begin{tabular}{ll} Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned \\ (\emph{e.g.}, puts, calls, warrants, options, convertible securities) \\ \end{tabular}$

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. Transactic Code (Instr. 8)	Secu Acqu (A) o Disp (D)	or cosed of cr. 3, 4,	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount Underlying Securitie (Instr. 3 and 4)	
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amour Number Shares
Option (right to buy) (3) (4)	\$ 13.26	12/05/2011		M		2,000	02/01/2006	02/01/2012	Common Stock	2,00
Option (right to buy) (4) (5)	\$ 8.68						02/07/2006	02/07/2013	Common Stock	1,66
Option (right to buy) (4) (6)	\$ 15.02						02/06/2005	02/06/2014	Common Stock	1,66
Option (right to buy) (4) (7)	\$ 20.26						02/04/2006	02/04/2015	Common Stock	5,33
Option (right to buy) (4) (8)	\$ 27.06						02/03/2007	02/03/2016	Common Stock	6,15
Option (right to buy) (4) (9)	\$ 30.56						02/02/2008	02/02/2017	Common Stock	6,15
Option (right to buy) (10)	\$ 28.85						02/12/2009	02/12/2018	Common Stock	74,0
Option (right to buy) (11)	\$ 9.29						02/10/2010	02/10/2019	Common Stock	59,0
Option (right to buy) (12)	\$ 17.8						02/09/2011	02/09/2020	Common Stock	32,0
Option (right to buy) (13)	\$ 18.59						02/08/2012	02/08/2021	Common Stock	54,4
Stock Appreciation Right (14)	\$ 9.29						02/10/2010	02/10/2019	Common Stock	131,3
Stock Appreciation Right (15)	\$ 17.8						02/09/2011	02/09/2020	Common Stock	37,5
Restricted Share Units	(16)						<u>(16)</u>	(16)	Common Stock	40,3
Restricted Share Units	(17)						<u>(17)</u>	<u>(17)</u>	Common Stock	18,9

(17)

Restricted Share Units (18)	<u>(18)</u>	<u>(18)</u> <u>(18)</u>	Common Stock	8,06
Performance Units	<u>(19)</u>	<u>(19)</u> 02/08/20	Common Stock	25,7

Reporting Owners

Reporting Owner Name / Address	Relationships						
1 0	Director	10% Owner	Officer	Other			
DeCosmo James M 6300 BEE CAVE ROAD BUILDING TWO, SUITE 500 AUSTIN, TX 78746	X		CEO - President				

Signatures

Brad Stein signing on behalf of James M.
DeCosmo
12/06/2011

**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) Reporting Person acquired additional shares by swapping shares already owned, resulting in a net increase in shares.
- (2) 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.
- (3) Options Vesting Schedule Exercise price is \$13.26: Options Exercisable 02/01/2006 2,000.
- (4) Shares acquired in a pro rata distribution by Temple-Inland Inc. through a spin-off on or around December 28, 2007.
- (5) Options Vesting Schedule Exercise price is \$8.68: Options Exercisable 02/07/2007 1,666.
- (6) Options Vesting Schedule Exercise price of \$15.02: Options Exercisable 02/06/2007 1,250; Options Exercisable 02/06/2008 416.
- Options Vesting Schedule Exercise price of \$20.26: Options Exercisable 02/04/2007 2,666; Options Exercisable 02/04/2008 1,333; Options Exercisable 02/04/2009 1,333.
- Options Vesting Schedule Exercise price of \$27.06: Options Exercisable 02/03/2007 1,537; Options Exercisable 02/03/2008 1,537; Options Exercisable 02/03/2009 1,537; and Options Exercisable 02/03/2010 1,537.
- Options Vesting Schedule Exercise price of \$30.56: Options Exercisable 02/02/2008 1,537; Options Exercisable 02/02/2009 1,537; Options Exercisable 02/02/2010 1,537; and Options Exercisable 02/02/2011 1,537.
- Options Vesting Schedule for Options Granted 02/12/2008 Exercise price is \$28.85: Options Exercisable 02/12/2009 18,500; Options Exercisable 02/12/2010 18,500; Options Exercisable 02/12/2011 18,500; Options Exercisable 02/12/2012 18,500.
- Vesting schedule for Options granted 02/10/2009 Exercise price is \$9.29: Options Exercisable 02/10/2010 14,752; Options Exercisable 02/10/2011 14,752; Options Exercisable 02/10/2012 14,753; and Options Exercisable 02/10/2013 14,753.
- Vesting schedule for Options granted 02/9/2010 Exercise price is \$17.80: Options Exercisable 02/9/2011 8,004; Options Exercisable 02/9/2012 8,004; Options Exercisable 02/9/2014 8,004.
- Vesting schedule for Options granted 02/8/2011 Exercise price is \$18.59: Options Exercisable 02/8/2012 13,600; Options Exercisable 02/8/2013 13,601; Options Exercisable 02/8/2014 13,600; and Options Exercisable 02/8/2015 13,601.

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- Vesting schedule for Stock Appreciation Rights (SARs) granted 02/10/2009 Exercise price is \$9.29: SARs Exercisable 02/10/2010 32,836; SARs Exercisable 02/10/2011 32,836; SARs Exercisable 02/10/2012 32,836; and SARs Exercisable 02/10/2013 32,837.
- Vesting schedule for Stock Appreciation Rights (SARs) granted 02/9/2010 Exercise price is \$17.80: SARs Exercisable 02/9/2011 9,396; SARs Exercisable 02/9/2012 9,396; SARs Exercisable 02/9/2013 9,396; and SARs Exercisable 02/9/2014 9,396. SARs will be settled for cash.
- (16) Restricted share units granted on 2/10/2009 will vest effective 2/10/2012. Restricted share units will be settled for cash based on the fair market value on the vesting date subject to a 1% ROA performance criteria.
- (17) Restricted share units granted on 2/9/2010 will vest effective 2/9/2013. Restricted share units will be settled for cash based on the fair market value on vesting date subject to a 1% ROA performance criteria.
- (18) Restricted share units granted on 2/8/2011 will vest as follows: 2,690 on 2/8/2012; 2,689 on 2/8/2013; 2,690 on 2/8/2014. Restricted share units will be settled for cash based on the fair market value on vesting date.
- (19) 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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