

JOHNSON JAMES A /DC/  
Form 4  
February 12, 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/

(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)  
02/10/2009

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 Ownership (Instr. 4)
Common Stock				(A) or (D) Price	11,001 <sup>(1)</sup>	D	

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

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SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

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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>(2)</u> <u>(3)</u>	\$ 13.24					02/04/2001	02/04/2010	Common Stock	6,666
Option (right to buy) <u>(3)</u> <u>(4)</u>	\$ 6.73					02/04/2001	02/04/2015	Common Stock	1,333
Option (right to buy) <u>(3)</u> <u>(5)</u>	\$ 5.98					01/02/2002	01/02/2016	Common Stock	1,333
Option (right to buy) <u>(3)</u> <u>(6)</u>	\$ 11.76					02/02/2002	02/02/2011	Common Stock	666
Option (right to buy) <u>(3)</u> <u>(7)</u>	\$ 7.08					01/02/2003	01/02/2017	Common Stock	1,333
Option (right to buy) <u>(3)</u> <u>(8)</u>	\$ 13.26					02/01/2003	02/01/2012	Common Stock	666
Option (right to buy) <u>(9)</u>	\$ 28.85					02/12/2009	02/12/2018	Common Stock	20,000
Phantom <u>(3)</u> <u>(10)</u>	<u>(10)</u>					11/02/2007	11/02/2021	Common Stock	17,343 <u>(10)</u>
Restricted Share Units <u>(11)</u>	<u>(11)</u>	02/10/2009		A	10,898	<u>(11)</u>	<u>(11)</u>	Common Stock	10,898

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
JOHNSON JAMES A /DC/ 6300 BEE CAVE ROAD BUILDING TWO, SUITE 500	X			

AUSTIN, TX 78746

## Signatures

David M. Grimm signing on behalf of James A.  
Johnson

02/12/2009

\_\_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) Options Vesting Schedule - Exercise price is \$18.03: Options Exercisable 02/04/2004 - 6,666.
- (3) Shares acquired in a pro rata distribution by Temple-Inland Inc. through a spin-off on or around December 28, 2007.
- (4) Options Vesting Schedule - Exercise price is \$9.28: Options Exercisable 02/04/2004 - 1,333.
- (5) Options Vesting Schedule - Exercise price is \$8.27: Options Exercisable 01/02/2005 - 1,333.
- (6) Options Vesting Schedule - Exercise price is \$16.04: Options Exercisable 02/02/2005 - 666.
- (7) Options Vesting Schedule - Exercise price is \$9.74: Options Exercisable 01/02/2006 - 1,333.
- (8) Options Vesting Schedule - Exercise price is \$18.05: Options Exercisable 02/01/2006 - 666.
- (9) Options Vesting Schedule for Options Granted 02/12/2008 - Exercise price is \$28.85: Options Exercisable 02/12/2009 - 6,500; Options Exercisable 02/12/2010 - 6,500; Options Exercisable 02/12/2011 - 7,000.
- (10) Phantom shares accrued under a Temple-Inland Inc. plan being settled in 15 annual installments following Reporting Person's retirement from Temple-Inland Inc. in November 2007. The first installment was paid in November 2007.
- (11) Restricted share units accrued under a Company plan to be in cash settled 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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