

Jehl Charles D
Form 4
February 12, 2009

FORM 4

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

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

OMB APPROVAL

OMB
Number: 3235-0287
Expires: January 31,
2005
Estimated average
burden hours per
response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
Jehl Charles D

(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
____X____ Officer (give title ____ Other (specify
below) below)

Chief Accounting Officer

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ 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)	8,800	D	
Common Stock	02/10/2009		A	12,110 (1)	A \$ 9.29	20,910 (2)	D
Common Stock					26 (3)	I	By Trustee 401(k) Plan

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

**Persons who respond to the collection of
information contained in this form are not**

SEC 1474
(9-02)

required to respond unless the form
displays a currently valid OMB control
number.

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 Underlying Security (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option (right to buy) <u>(4)</u> <u>(5)</u>	\$ 9.83							08/01/2007	08/01/2013	Common Stock	16,703
Option (right to buy) <u>(5)</u> <u>(6)</u>	\$ 15.02							02/06/2005	02/06/2014	Common Stock	26,000
Option (right to buy) <u>(5)</u> <u>(7)</u>	\$ 20.26							02/04/2007	02/04/2015	Common Stock	40,000
Option (right to buy) <u>(5)</u> <u>(8)</u>	\$ 27.06							02/03/2007	02/03/2016	Common Stock	1,700
Option (right to buy) <u>(5)</u> <u>(9)</u>	\$ 30.56							02/02/2008	02/02/2017	Common Stock	1,700
Option (right to buy) <u>(10)</u>	\$ 28.85							02/12/2009	02/12/2018	Common Stock	22,300
Option (right to buy) <u>(11)</u>	\$ 9.29	02/10/2009		A		17,703		02/12/2010	02/12/2019	Common Stock	17,703
Stock Appreciation Right <u>(12)</u>	\$ 9.29	02/10/2009		A		39,404		02/10/2010	02/10/2019	Common Stock	39,404
Restricted Share Units <u>(5)</u>	<u>(13)</u>							<u>(13)</u>	<u>(13)</u>	Common Stock	70,000
Restricted Share Units <u>(14)</u>	<u>(14)</u>	02/10/2009		A		12,110		<u>(14)</u>	<u>(14)</u>	Common Stock	12,110

Reporting Owners

Reporting Owner Name / Address

Relationships

Director

10% Owner

Officer

Other

Jehl Charles D
6300 BEE CAVE ROAD
BUILDING TWO, SUITE 500
AUSTIN, TX 78746

Chief Accounting Officer

Signatures

David M. Grimm signing on behalf of Charles
D. Jehl

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) Restricted shares granted on 2/10/2009 will vest effective 2/10/2012. Restricted shares are subject to a 1% ROA performance criteria.
- (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) Reporting Person acquired additional shares through on-going acquisitions under 401(k) plan. By trustee of the Temple-Inland Salaried Savings Plan according to the latest report of the Plan Administrator. (Note: Trustee uses unit accounting; therefore, share equivalents may fluctuate slightly from month to month.)
- (4) Options Vesting Schedule - Exercise price is \$9.83: Options Exercisable 08/01/2007 - 166.
- (5) Shares acquired in a pro rata distribution by Temple-Inland Inc. through a spin-off on or around December 28, 2007.
- (6) Options Vesting Schedule - Exercise price of \$15.02: Options Exercisable 02/06/2007 - 133; Options Exercisable 02/06/2008 - 133.
- (7) Options Vesting Schedule - Exercise price of \$20.26: Options Exercisable 02/04/2007 - 133; Options Exercisable 02/04/2008 - 133; Options Exercisable 02/04/2009 - 134.
- (8) Options Vesting Schedule - Exercise price of \$27.06: Options Exercisable 02/03/2007 - 427; Options Exercisable 02/03/2008 - 427; Options Exercisable 02/03/2009 - 427; and Options Exercisable 02/03/2010 - 427.
- (9) Options Vesting Schedule - Exercise price of \$30.56: Options Exercisable 02/02/2008 - 427; Options Exercisable 02/02/2009 - 427; Options Exercisable 02/02/2010 - 427; and Options Exercisable 02/02/2011 - 427.
- (10) Options Vesting Schedule for Options Granted 02/12/2008 - Exercise price is \$28.85: Options Exercisable 02/12/2009 - 5,575; Options Exercisable 02/12/2010 - 5,575; Options Exercisable 02/12/2011 - 5,575; Options Exercisable 02/12/2012 - 5,575.
- (11) Vesting schedule for Options granted 02/10/2009 - Exercise price is \$9.29: Options Exercisable 02/10/2010 - 4425; Options Exercisable 02/10/2011 - 4426; Options Exercisable 02/10/2012 - 4426; and Options Exercisable 02/10/2013 - 4426.
- (12) Vesting schedule for Stock Appreciation Rights (SARs) granted 02/10/2009 - Exercise price is \$9.29: SARs Exercisable 02/10/2010 - 9,851; SARs Exercisable 02/10/2011 - 9,851; SARs Exercisable 02/10/2012 - 9,851; and SARs Exercisable 02/10/2013 - 9,851.
- (13) Restricted share units will vest effective 02/02/2010. Restricted share units will be settled for cash based on the fair market value on the vesting date.
- (14) 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.

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.