

Forestar Group Inc.  
Form 4  
August 21, 2014

**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 \*  
Nines Christopher L

(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)  
08/20/2014

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)  
Chief Financial Officer

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  | Code                           | V   | Amount  | (A) or (D)   | Price                             |
| Common Stock                    | 08/20/2014                           |  | M                              |   | 17,703  | A  | \$ 9.29                           |
| Common Stock                    | 08/20/2014                           |  | S                              |   | 17,703  | D  | \$ 19.7 (1)                       |
|                                 |                                      |  |                                |   |   |  | 61,615                            |
|                                 |                                      |  |                                |   |   |  | 43,912 (2)                        |

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 Security (Instr. 3 and 4) |
|---|--|--------------------------------------|--|--------------------------------|---|--|---|
|   |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable Expiration Date                         | Title Amount or Number of Shares                            |
| Option (right to buy) <sup>(3)</sup> <sup>(4)</sup> | \$ 20.26   |                                      |  |                                |   | 02/04/2007 02/04/2015                                    | Common Stock 1,2  |
| Option (right to buy) <sup>(4)</sup> <sup>(5)</sup> | \$ 27.06   |                                      |  |                                |   | 02/03/2007 02/03/2016                                    | Common Stock 2,1  |
| Option (right to buy) <sup>(4)</sup> <sup>(6)</sup> | \$ 30.56   |                                      |  |                                |   | 02/02/2008 02/02/2017                                    | Common Stock 2,1  |
| Option (right to buy) <sup>(7)</sup>                | \$ 28.85   |                                      |  |                                |   | 02/12/2009 02/12/2018                                    | Common Stock 22,3   |
| Option (right to buy) <sup>(8)</sup>                | \$ 9.29  | 08/20/2014                           |  | M                              | 17,703  | 02/12/2010 02/12/2019                                    | Common Stock 17,7   |
| Option (right to buy) <sup>(9)</sup>                | \$ 17.8  |                                      |  |                                |   | 02/09/2011 02/09/2020                                    | Common Stock 10,7   |
| Option (right to buy) <sup>(10)</sup>               | \$ 18.59   |                                      |  |                                |   | 02/08/2012 02/08/2021                                    | Common Stock 20,7   |
| Option (right to buy) <sup>(11)</sup>               | \$ 16.11   |                                      |  |                                |   | 02/14/2013 02/14/2022                                    | Common Stock 24,1   |
| Option (right to buy) <sup>(12)</sup>               | \$ 18.7  |                                      |  |                                |   | 02/12/2014 02/12/2023                                    | Common Stock 24,3   |
| Stock Appreciation Right <sup>(13)</sup>            | \$ 17.8  |                                      |  |                                |   | 02/09/2011 02/09/2020                                    | Common Stock 12,6   |
| Restricted Share Units <sup>(14)</sup>              | <sup>(14)</sup>  |                                      |  |                                |   | <sup>(14)</sup> <sup>(14)</sup>                          | Common Stock 3,0  |
| Restricted Share Units <sup>(15)</sup>              | <sup>(15)</sup>  |                                      |  |                                |   | <sup>(15)</sup> <sup>(15)</sup>                          | Common Stock 1,9  |
| Restricted Share Units <sup>(16)</sup>              | <sup>(16)</sup>  |                                      |  |                                |   | <sup>(16)</sup> <sup>(16)</sup>                          | Common Stock 6,8  |
|   | <sup>(17)</sup>  |                                      |  |                                |   | <sup>(17)</sup> 02/14/2015                               | 12,0  |

|                       |      |      |            |                 |      |
|-----------------------|------|------|------------|-----------------|------|
| Market Stock<br>Units |      |      |            | Common<br>Stock |      |
| Market Stock<br>Units | (17) | (17) | 02/12/2016 | Common<br>Stock | 11,8 |
| Market Stock<br>Units | (17) | (17) | 02/11/2017 | Common<br>Stock | 8,0  |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |                         |       |
|--|---------------|-----------|-------------------------|-------|
|  | Director      | 10% Owner | Officer                 | Other |
| Nines Christopher L<br>6300 BEE CAVE ROAD<br>BUILDING TWO, SUITE 500<br>AUSTIN, TX 78746 |               |           | Chief Financial Officer |       |

## Signatures

David M. Grimm signing on behalf of Christopher L. Nines 08/21/2014

\_\_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) The price reported is a weighted average sale price. The sale price ranged from \$19.56 to \$19.75. Reporting Person provided Issuer full information regarding the number of shares sold at each separate price. Issuer will provide, upon receipt of a request, a copy of this information to the SEC staff or a security holder of the issuer.
  - (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 of \$20.26: Options Exercisable 02/04/2007 - 416; Options Exercisable 02/04/2008 - 417; Options Exercisable 02/04/2009 - 417.
  - (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 of \$27.06: Options Exercisable 02/03/2007 - 533; Options Exercisable 02/03/2008 - 533; Options Exercisable 02/03/2009 - 533; and Options Exercisable 02/03/2010 - 534.
  - (6) Options Vesting Schedule - Exercise price of \$30.56: Options Exercisable 02/02/2008 - 533; Options Exercisable 02/02/2009 - 533; Options Exercisable 02/02/2010 - 533; and Options Exercisable 02/02/2011 - 534.
  - (7) 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.
  - (8) 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.
  - (9) Vesting schedule for Options granted 02/09/2010 - Exercise price is \$17.80: Options Exercisable 02/09/2011 - 2,689; Options Exercisable 02/09/2012 - 2,689; Options Exercisable 02/09/2013 - 2,689; and Options Exercisable 02/09/2014 - 2,690.
  - (10) Vesting schedule for Options granted 02/08/2011 - Exercise price is \$18.59: Options Exercisable 02/08/2012 - 5,193; Options Exercisable 02/08/2013 - 5,193; Options Exercisable 02/08/2014 - 5,193; and Options Exercisable 02/08/2015 - 5,193.
  - (11) Vesting schedule for Options granted 02/14/2012 - Exercise price is \$16.11: Options Exercisable 02/14/2013 - 6,035; Options Exercisable 02/14/2014 - 6,036; Options Exercisable 02/14/2015 - 6,035; and Options Exercisable 02/14/2016 - 6,036.

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- (12) Vesting schedule for Options granted 02/12/2013 - Exercise price is \$18.70: Options Exercisable 02/12/2014 - 6,091; Options Exercisable 02/12/2015 - 6,092; Options Exercisable 02/12/2016 - 6,091; and Options Exercisable 02/12/2017 - 6,092.
- Vesting schedule for Stock Appreciation Rights (SARs) granted 02/09/2010 - Exercise price is \$17.80: SARs Exercisable 02/09/2011 - 3,157; SARs Exercisable 02/09/2012 - 3,157; SARs Exercisable 02/09/2013 - 3,157; and SARs Exercisable 02/09/2014 - 3,157. SARs will be settled for cash.
- (13)
- (14) Restricted share units granted on 02/14/2012 will vest as follows: 3,001 on 02/14/2013; 3,000 on 02/14/2014; 3,000 on 02/14/2015. Restricted share units will be settled for cash based on the fair market value on vesting date.
- (15) Restricted share units granted on 02/12/2013 will vest as follows: 1,997 on 02/12/2014; 1,996 on 02/12/2015; 1,996 on 02/12/2016. Restricted share units will be settled for cash based on the fair market value on vesting date.
- (16) Restricted share units granted on 02/11/2014 will vest as follows: 2,277 on 02/11/2015; 2,276 on 02/11/2016; 2,277 on 02/11/2017. Restricted share units will be settled for cash based on the fair market value on vesting date.
- (17) 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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