

Forestar Group Inc.  
Form 4  
November 13, 2014

**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  
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2005  
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response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
DeCosmo James M

(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)

11/11/2014

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)

CEO - President

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<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3.<br>Transaction<br>Code<br>(Instr. 8) | 4. Securities Acquired<br>(A) or Disposed of (D)<br>(Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form: Direct<br>(D) or<br>Indirect (I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|---------------------------------------|---|---|---|---|--|--|---|
|                                       |   |   |   | (A)<br>or<br>(D)  |  |  |   |
| Common<br>Stock                       | 11/11/2014                              |   | M                                       | 394   | A \$ 0   | 112,929  | D   |
| Common<br>Stock                       | 11/11/2014                              |   | F                                       | 394   | D \$<br>17.41  | 112,535 <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)

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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 Securities (Instr. 3 and 4) |
|---|--|--------------------------------------|--|--------------------------------|---|--|---|
|   |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable Expiration Date                         | Title Amount of Number of Shares                              |
| Option (right to buy) <u>(2)</u> <u>(3)</u> | \$ 20.26   |                                      |  |                                |   | 02/04/2006 02/04/2015                                    | Common Stock 5,333  |
| Option (right to buy) <u>(3)</u> <u>(4)</u> | \$ 27.06   |                                      |  |                                |   | 02/03/2007 02/03/2016                                    | Common Stock 6,150  |
| Option (right to buy) <u>(3)</u> <u>(5)</u> | \$ 30.56   |                                      |  |                                |   | 02/02/2008 02/02/2017                                    | Common Stock 6,150  |
| Option (right to buy) <u>(6)</u>            | \$ 28.85   |                                      |  |                                |   | 02/12/2009 02/12/2018                                    | Common Stock 74,000   |
| Option (right to buy) <u>(7)</u>            | \$ 9.29  |                                      |  |                                |   | 02/10/2010 02/10/2019                                    | Common Stock 59,010   |
| Option (right to buy) <u>(8)</u>            | \$ 17.8  |                                      |  |                                |   | 02/09/2011 02/09/2020                                    | Common Stock 32,016   |
| Option (right to buy) <u>(9)</u>            | \$ 18.59   |                                      |  |                                |   | 02/08/2012 02/08/2021                                    | Common Stock 54,402   |
| Option (right to buy) <u>(10)</u>           | \$ 16.11   |                                      |  |                                |   | 02/14/2013 02/14/2022                                    | Common Stock 59,013   |
| Option (right to buy) <u>(11)</u>           | \$ 18.7  |                                      |  |                                |   | 02/12/2014 02/14/2023                                    | Common Stock 53,606   |
| Stock Appreciation Right <u>(12)</u>        | \$ 9.29  |                                      |  |                                |   | 02/10/2010 02/10/2019                                    | Common Stock 100,000  |
| Stock Appreciation Right <u>(13)</u>        | \$ 17.8  |                                      |  |                                |   | 02/09/2011 02/09/2020                                    | Common Stock 37,584   |
| Restricted Share Units <u>(14)</u>          | <u>(14)</u>  |                                      |  |                                |   | <u>(14)</u> <u>(14)</u>                                  | Common Stock 8,069  |
| Restricted Share Units <u>(15)</u>          | <u>(15)</u>  |                                      |  |                                |   | <u>(15)</u> <u>(15)</u>                                  | Common Stock 3,298  |

|                                   |      |            |   |     |      |            |                 |        |
|-----------------------------------|------|------------|---|-----|------|------------|-----------------|--------|
| Restricted<br>Share Units<br>(16) | (16) | 11/11/2014 | M | 394 | (16) | (16)       | Common<br>Stock | 394    |
| Market Stock<br>Units             | (17) |            |   |     | (17) | 02/14/2015 | Common<br>Stock | 29,380 |
| Market Stock<br>Units             | (17) |            |   |     | (17) | 02/12/2016 | Common<br>Stock | 26,084 |
| Market Stock<br>Units             | (17) |            |   |     | (17) | 02/11/2017 | Common<br>Stock | 16,191 |

## Reporting Owners

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

## Signatures

David M. Grimm signing on behalf of James M.  
DeCosmo 11/13/2014

\_\_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) 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 of \$20.26: Options Exercisable 02/04/2007 - 2,666; Options Exercisable 02/04/2008 - 1,333; Options Exercisable 02/04/2009 - 1,333.
  - (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 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.
  - (5) 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.
  - (6) 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.
  - (7) 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.
  - (8) Vesting schedule for Options granted 02/09/2010 - Exercise price is \$17.80: Options Exercisable 02/09/2011 - 8,004; Options Exercisable 02/09/2012 - 8,004; Options Exercisable 02/09/2013 - 8,004; and Options Exercisable 02/09/2014 - 8,004.
  - (9) Vesting schedule for Options granted 02/08/2011 - Exercise price is \$18.59: Options Exercisable 02/08/2012 - 13,600; Options Exercisable 02/08/2013 - 13,601; Options Exercisable 02/08/2014 - 13,600; and Options Exercisable 02/08/2015 - 13,601.
  - (10) Vesting schedule for Options granted 02/14/2012 - Exercise price is \$16.11: Options Exercisable 02/14/2013 - 14,753; Options Exercisable 02/14/2014 - 14,753; Options Exercisable 02/14/2015 - 14,753; and Options Exercisable 02/14/2016 - 14,754.

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- (11) Vesting schedule for Options granted 02/12/2013 - Exercise price is \$18.70: Options Exercisable 02/12/2014 - 13,401; Options Exercisable 02/12/2015 - 13,402; Options Exercisable 02/12/2016 - 13,401; and Options Exercisable 02/12/2017 - 13,402.
- (12) 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 02/09/2010 - Exercise price is \$17.80: SARs Exercisable 02/09/2011 - 9,396; SARs Exercisable 02/09/2012 - 9,396; SARs Exercisable 02/09/2013 - 9,396; and SARs Exercisable 02/09/2014 - 9,396. SARs will be settled for cash.
- (13) Restricted share units granted on 02/14/2012 will vest as follows: 8,070 on 02/14/2013; 8,069 on 02/14/2014; 8,070 on 02/14/2015. Restricted share units will be settled for cash based on the fair market value on vesting date.
- (14) Restricted share units granted on 02/12/2013 will vest as follows: 3,298 on 02/12/2014; 3,298 on 02/12/2015; 3,298 on 02/12/2016. Restricted share units will be settled for cash based on the fair market value on vesting date.
- (15) Restricted share units granted on 02/11/2014 will vest as follows: 3,384 on 02/11/2015; 3,384 on 02/11/2016; 3,384 on 02/11/2017. Restricted share units will be settled for cash based on the fair market value on vesting date.
- (16) 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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