

Etheredge Charles T JR
Form 4
February 12, 2009

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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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 *
Etheredge Charles T JR

2. Issuer Name and Ticker or Trading Symbol
Forestar Group Inc. [FOR]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
6300 BEE CAVE
ROAD, BUILDING TWO, SUITE
500
(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
02/10/2009

____ Director
 Officer (give title below) _____ 10% Owner
_____ Other (specify below)
Executive Vice President

AUSTIN, TX 78746

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

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)
				(A) or (D)	Price		
				Code	V	Amount	
Common Stock						7,148	D
Common Stock	02/10/2009		A		\$ 9,688 (1)	A 16,836 (2)	D
Common Stock						257 (3)	I By Trustee of 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)

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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) <u>(4)</u> <u>(5)</u>	\$ 13.26					02/01/2006 02/01/2012	Common Stock 16,125
Option (right to buy) <u>(5)</u> <u>(6)</u>	\$ 8.68					02/07/2005 02/07/2013	Common Stock 1,000
Option (right to buy) <u>(5)</u> <u>(7)</u>	\$ 15.02					02/06/2005 02/06/2014	Common Stock 53,000
Option (right to buy) <u>(5)</u> <u>(8)</u>	\$ 20.26					02/04/2006 02/04/2015	Common Stock 53,000
Option (right to buy) <u>(5)</u> <u>(9)</u>	\$ 27.06					02/03/2007 02/03/2016	Common Stock 1,700
Option (right to buy) <u>(5)</u> <u>(10)</u>	\$ 30.56					02/02/2006 02/02/2017	Common Stock 1,700
Option (right to buy) <u>(11)</u>	\$ 28.85					02/12/2009 02/12/2018	Common Stock 42,800
Option (right to buy) <u>(12)</u>	\$ 9.29	02/10/2009		A	14,162	02/10/2010 02/10/2019	Common Stock 14,162
Stock Appreciation Right <u>(13)</u>	\$ 9.29	02/10/2009		A	31,523	02/10/2010 02/10/2019	Common Stock 31,523
Restricted Share Units <u>(5)</u> <u>(14)</u>	<u>(14)</u>					<u>(14)</u> <u>(14)</u>	Common Stock 70,000
Restricted Share Units <u>(15)</u>	<u>(15)</u>	02/10/2009		A	9,688	<u>(15)</u> <u>(15)</u>	Common Stock 9,688

