

Dickson Bruce Fairchild  
 Form 4  
 February 16, 2012

**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 \*  
 Dickson Bruce Fairchild

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)  
 02/14/2012

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 Chief Real Estate Officer

AUSTIN, TX 78746

(City) (State) (Zip)

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

**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)	19,623 <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 Security (Instr. 3 and 4)	8. Title	9. Amount or Number of Shares
Option (right to buy) <sup>(2)</sup>	\$ 16.11	02/14/2012		A	34,871	02/14/2013 02/14/2022	Common Stock	34,871	
Restricted Share Units <sup>(3)</sup>	<sup>(3)</sup>	02/14/2012		A	13,656	<sup>(3)</sup> <sup>(3)</sup>	common Stock	13,656	
Performance Units	<sup>(4)</sup>	02/14/2012		A	17,361	<sup>(4)</sup> 02/14/2015	Common Stock	17,361	

**Reporting Owners**

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Dickson Bruce Fairchild 6300 BEE CAVE ROAD BUILDING TWO, SUITE 500 AUSTIN, TX 78746			Chief Real Estate Officer	

**Signatures**

David M. Grimm signing on behalf of Bruce F. Dickson	02/16/2012
<u>        </u>	Date

\*\*Signature of Reporting Person

**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) Vesting schedule for Options granted 02/14/2012 - Exercise price is \$16.11; Options Exercisable 02/14/2013 - 8,717; Options Exercisable 02/14/2014 - 8,718; Options Exercisable 02/14/2015 - 8,718; and Options Exercisable 02/14/2016 - 8,718.
- (3) Restricted share units granted on 2/14/2012 will vest as follows: 4,552 on 2/14/2013; 4,552 on 2/14/2014; 4,552 on 2/14/2015. Restricted share units will be settled for cash based on the fair market value on vesting date.
- (4) 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. 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.