

Forestar Real Estate Group Inc.

Form 4

February 14, 2008

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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(Print or Type Responses)

1. Name and Address of Reporting Person *
JOHNSON JAMES A /DC/

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)

1300 SOUTH MOPAC
EXPRESSWAY 3-SOUTH

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
02/12/2008

☒ Director ☐ 10% Owner
☐ Officer (give title below) ☐ Other (specify below)

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	02/12/2008	02/12/2008	A	(A) or (D) Amount 3,509 (1) Price \$ 28.85	5,375 (2)	D	

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

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information contained in this form are not
required to respond unless the form
displays a currently valid OMB control
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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 Securities (Instr. 3 and 4)	Amount or Number of Shares
				Code	V	(A)	(D)	
Option (right to buy) <u>(3)</u> <u>(4)</u>	\$ 13.24					02/04/2001	02/04/2010	Common Stock 6,666
Option (right to buy) <u>(4)</u> <u>(5)</u>	\$ 6.73					02/04/2001	02/04/2015	Common Stock 1,333
Option (right to buy) <u>(4)</u> <u>(6)</u>	\$ 5.98					01/02/2002	01/02/2016	Common Stock 1,333
Option (right to buy) <u>(4)</u> <u>(7)</u>	\$ 11.76					02/02/2002	02/02/2011	Common Stock 666
Option (right to buy) <u>(4)</u> <u>(8)</u>	\$ 7.08					01/02/2003	01/02/2017	Common Stock 1,333
Option (right to buy) <u>(4)</u> <u>(9)</u>	\$ 13.26					02/01/2003	02/01/2012	Common Stock 666
Option (right to buy) <u>(10)</u>	\$ 28.85	02/12/2008	02/12/2008	A	20,000	02/12/2009	02/12/2018	Common Stock 20,000
Phantom <u>(4)</u> <u>(11)</u>	<u>(11)</u>					05/06/2016	05/06/2031	Common Stock 18,679 <u>(11)</u>

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

JOHNSON JAMES A /DC/
1300 SOUTH MOPAC EXPRESSWAY 3-SOUTH X
AUSTIN, TX 78746

Signatures

David M. Grimm signing on behalf of James A.
Johnson

02/14/2007

__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 Stock Units accrued under a Company plan to be settled following Reporting Person's retirement.
- (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 is \$18.03: Options Exercisable 02/04/2004 - 6,666.
- (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 is \$9.28: Options Exercisable 02/04/2004 - 1,333.
- (6) Options Vesting Schedule - Exercise price is \$8.27: Options Exercisable 01/02/2005 - 1,333.
- (7) Options Vesting Schedule - Exercise price is \$16.04: Options Exercisable 02/02/2005 - 666.
- (8) Options Vesting Schedule - Exercise price is \$9.74: Options Exercisable 01/02/2006 - 1,333.
- (9) Options Vesting Schedule - Exercise price is \$18.05: Options Exercisable 02/01/2006 - 666.
- (10) Options Vesting Schedule for Options Granted 02/12/2008 - Exercise price is \$28.85: Options Exercisable 02/12/2009 - 6,500; Options Exercisable 02/12/2010 - 6,500; Options Exercisable 02/12/2011 - 7,000.
- (11) Phantom shares accrued under a Temple-Inland Inc. plan to be settled following Reporting Person's retirement from Temple-Inland Inc.

Remarks:

Option prices identified by footnote 4 are updated to reflect spin-off from Temple-Inland Inc. effective 12/28/2007.

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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