

FOREST CITY ENTERPRISES INC  
 Form 4  
 December 19, 2008

**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 \*  
 ESPOSITO MICHAEL P JR

2. Issuer Name and Ticker or Trading Symbol  
 FOREST CITY ENTERPRISES INC  
 [FCEA/FCEB]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
 12/15/2008

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

1221 AVENUE OF THE AMERICAS

(Street)

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

NEW YORK, NY 10020-1001

(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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  | Code                           | V   | Amount  | (A) or (D)   | Price                             |
| Class A Common                  | 12/15/2008                           | 12/18/2008 <sup>(1)</sup>                          | A                              |   | 45.47   | A  | \$ 5.43                           |
| Class A Common Stock            |                                      |  |                                |   |   |  | 3,131.725                         |
| Class A Common Stock            |                                      |  |                                |   |   |  | 83,400                            |
| Class A Common Stock            |                                      |  |                                |   |   |  | 24,900                            |
| Class A Common                  |                                      |  |                                |   |   |  | 1,100                             |
|                                 |                                      |  |                                |   |   | I  | See footnote <sup>(4)</sup>       |

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Stock

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 required to respond unless the form displays a currently valid OMB control number.**

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(9-02)

**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 Underlying Security (Instr. 3 and 4) |                |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date                                   | Title          |
| 2003 Stock Option Grant (right to buy)     | \$ 15.5  |                                      |  |                                |   | 03/17/2005 <sup>(5)</sup>                                | 03/17/2013  | Class A Common |
| 2005 Stock Option Grant (right to buy)     | \$ 31.75   |                                      |  |                                |   | 04/06/2007 <sup>(6)</sup>                                | 04/06/2015  | Class A Common |
| 2006 Stock Option Grant (right to buy)     | \$ 46.37   |                                      |  |                                |   | 04/04/2008 <sup>(7)</sup>                                | 04/04/2016  | Class A Common |
| 2007 Stock Option Grant (right to buy)     | \$ 65.35   |                                      |  |                                |   | 03/29/2009 <sup>(8)</sup>                                | 03/29/2017  | Class A Common |
| 2008 Stock Option Grant (right to buy)     | \$ 37.68   |                                      |  |                                |   | 04/07/2009 <sup>(8)</sup>                                | 04/07/2018  | Class A Common |

