

FOREST CITY ENTERPRISES INC  
Form 11-K  
June 26, 2014

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

FORM 11-K

Annual Report Pursuant to Section 15(d) of the  
Securities Exchange Act of 1934

(Mark One):

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the fiscal year ended December 31, 2013

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-4372

A. Full title of the plan and the address of the plan, if different from that of  
the issuer named below:

FOREST CITY 401(k) EMPLOYEE SAVINGS PLAN & TRUST

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

FOREST CITY ENTERPRISES, INC.  
Terminal Tower  
50 Public Square, Suite 1100  
Cleveland, Ohio 44113

FOREST CITY 401(k) EMPLOYEE SAVINGS PLAN & TRUST

---

AUDITED FINANCIAL STATEMENTS AND  
SUPPLEMENTAL SCHEDULE

AT DECEMBER 31, 2013 AND 2012 AND  
FOR THE YEAR ENDED DECEMBER 31, 2013

---

Forest City 401(k) Employee Savings Plan & Trust  
Table of Contents

---

	Page
Report of Independent Registered Public Accounting Firm	<u>1</u>
Statements of Net Assets Available for Benefits at December 31, 2013 and 2012	<u>2</u>
Statement of Changes in Net Assets Available for Benefits for the Year Ended December 31, 2013	<u>3</u>
Notes to Financial Statements	<u>4-10</u>
Supplemental Schedule: *	
Schedule H, line 4i - Schedule of Assets (Held at End of Year) at December 31, 2013	<u>11</u>

\* Other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

Report of Independent Registered Public Accounting Firm

Plan Administrator  
Forest City 401(k) Employee Savings Plan & Trust

We have audited the accompanying statements of net assets available for benefits of Forest City 401(k) Employee Savings Plan & Trust (the "Plan") as of December 31, 2013 and 2012, and the related statement of changes in net assets available for benefits for the year ended December 31, 2013. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Forest City 401(k) Employee Savings Plan & Trust as of December 31, 2013 and 2012, and the changes in net assets available for benefits for the year ended December 31, 2013 in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2013 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

/s/ Grant Thornton LLP  
Cleveland, OH  
June 26, 2014

Forest City 401(k) Employee Savings Plan & Trust  
 Statements of Net Assets Available for Benefits  
 December 31, 2013 and 2012

---

	2013		2012
Assets			
Investments at fair value	\$ 152,169,369		\$ 122,357,799
Cash	—		8,554
Receivables:			
Employer contributions	2,832,258		2,792,572
Participant contributions	395		642
Notes receivable from participants	2,276,058		2,112,059
Total receivables	5,108,711		4,905,273
Net assets reflecting investments at fair value	157,278,080		127,271,626
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(180,450	)	(532,566
			)
Net assets available for benefits	\$ 157,097,630		\$ 126,739,060

The accompanying notes are an integral part of these financial statements.

Forest City 401(k) Employee Savings Plan & Trust  
 Statement of Changes in Net Assets Available for Benefits  
 For the Year Ended December 31, 2013

---

Investment income:		
Net appreciation in fair value of investments	\$23,717,251	
Interest and dividends	4,006,526	
Total investment income	27,723,777	
Contributions:		
Participant	8,298,026	
Employer	2,832,775	
Rollovers	884,783	
Total contributions	12,015,584	
Interest income on notes receivable from participants	90,269	
Benefits paid to participants	(9,457,410)	)
Loan origination fees	(13,650)	)
Net increase	30,358,570	
Net assets available for benefits:		
Beginning of year	126,739,060	
End of year	\$157,097,630	

The accompanying notes are an integral part of these financial statements.

Forest City 401(k) Employee Savings Plan & Trust  
Notes to Financial Statements  
December 31, 2013 and 2012

---

1. Description of the Plan

The following description of the Forest City 401(k) Employee Savings Plan & Trust (the “Plan”) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan’s provisions.

A. General. The Plan is a defined contribution plan covering all employees of Forest City Enterprises, Inc. (the “Company”), except contract security and employees covered by collective bargaining agreements that do not permit participation in the Plan. Certain employees of RMS Investment Corporation (“RMS”), an affiliate of the Company, are also covered by the provisions of the Plan. During 2013, RMS contributed \$3,000 and RMS participants contributed \$4,050. The Company and RMS are herein collectively referred to as the Employers. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

B. Eligibility. Employees who have completed 90 days of service and have attained age 21 are eligible.

C. Participant Accounts. Each participant’s account is credited with the participant’s contribution (deferred compensation), the Employers’ matching contribution, and allocation of the Plan’s earnings or losses. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account.

D. Contributions. Each year, participants may contribute up to 50 percent of pretax annual compensation, subject to statutory limitations imposed by the Internal Revenue Code. New employees are automatically enrolled at a 1% contribution level and have 90 days to opt out. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contribution into various investment options offered by the Plan. The Plan currently offers 30 investment options. Each year the Employers contribute to the Plan a discretionary matching contribution equal to a percentage of each participant’s contribution, subject to a maximum per participant. The Employers’ matching contribution for 2013 was the greater of the following: 200% of the first \$500 and 100% of the next \$500 of each participant’s deferred compensation, up to an annual maximum of \$1,500; or 50% of deferred compensation on the first 6% of employee wage contributions, up to an annual maximum of \$3,500. Participants are eligible to receive an Employers’ matching contribution by being actively employed on the last day of the Plan year for which the contribution applies.

E. Vesting. Participants are immediately vested in all contributions made plus actual earnings thereon.

F. Payment of Benefits. Lump-sum payments are made for normal retirement, death, total and permanent disability, termination, financial hardship, or upon reaching age 59 1/2.

G. Notes Receivable from Participants. Participants may borrow a minimum of \$1,000 up to a maximum equal to the lesser of (1) \$50,000 reduced by the highest outstanding loan balance in the previous 12 months or (2) 50 percent of the participant’s vested account balance. The loans are secured by the balance in the participant’s account and bear interest at the fixed rate of 1% above prime. The interest is fixed at the inception of the loan. Outstanding loans bore interest at 4.25% at December 31, 2013 and bore interest at rates ranging from 4.25% to 8.25% at December 31, 2012. Loan balances are amortized on a level basis over a period not to exceed five years, except for a loan used to acquire a participant’s principal residence, which may be amortized over a period of ten years. Principal and

interest paid by the participant is credited to the participant's account.

## 2. Summary of Significant Accounting Policies

**Basis of Accounting.** The accompanying financial statements of the Plan were prepared under the accrual method of accounting.

The Plan follows applicable accounting guidance with respect to fully benefit-responsive investment contracts. Under the relevant accounting guidance, investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants



Forest City 401(k) Employee Savings Plan & Trust  
Notes to Financial Statements  
December 31, 2013 and 2012

---

## 2. Summary of Significant Accounting Policies (Continued)

would receive if they were to initiate permitted transactions under the terms of the Plan. As required by accounting guidance, the Statements of Net Assets Available for Benefits present investment contracts at fair value and an adjustment from fair value

to contract value for the fully benefit-responsive investment contracts. The Statement of Changes in Net Assets Available for Benefits is prepared using the contract value basis for fully benefit-responsive investment contracts.

**Use of Estimates.** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

**Investment Valuation and Income Recognition.** Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation in fair value of investments includes realized gains and losses and unrealized appreciation and depreciation on those investments.

**Administrative Expenses.** Certain expenses of maintaining the Plan are paid directly by the Employers and are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation of fair value of investments.

**Notes Receivable from Participants.** Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. No allowance for credit losses has been recorded as of December 31, 2013 or December 31, 2012. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded.

**Payment of Benefits.** Benefits are recorded when paid.

**Risks and Uncertainties.** The Plan provides for various investment options in any combination of Company stock, collective trust funds and mutual funds. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

## 3. Fair Value Measurements

Accounting guidance provides a framework for measuring fair value, and requires additional disclosures about fair value measurements. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for the identical assets or liabilities in active markets that the Plan has the ability to access.

5

---

Forest City 401(k) Employee Savings Plan & Trust  
Notes to Financial Statements  
December 31, 2013 and 2012

---

### 3. Fair Value Measurements (Continued)

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2013 and 2012. The valuation of investments has been provided by T. Rowe Price, the Trustee, and represents fair value.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Collective trust funds: Valued at the NAV of units of a collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of the collective trust, the investment advisor reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner. Investment contracts held by the T. Rowe Price Stable Value Fund that are fully benefit-responsive investment contracts, e.g., guaranteed investment contracts ("GICs"), synthetic investment contracts ("SICs") and wrap contracts, are valued at fair value in the Statements of Net Assets Available for Benefits and then adjusted to their contract value, as described further in Note 2. The fair value of GICs is generally determined by discounting the scheduled future payments required under the contract; the fair value of the securities underlying SICs is generally reflected by market value at the close of business on the valuation date; and the fair value of wrap contracts reflects the discounted present value of the difference between the current wrap contract cost and its replacement cost based on issuer quotes.

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

The Plan uses reported NAV for both the T. Rowe Price Equity Index Trust and the T. Rowe Price Stable Value Fund, as the Plan believes the underlying investments of these funds are measured at fair value. For Level 3 investments, the 401(k) Investment Committee of Forest City Enterprises, Inc. (the "Committee"), which is comprised of certain executives of the Company, uses a third party service as the primary basis for valuation of this investment. The Committee has access to the audited financial statements of the investment, including the valuation methods and assumptions included therein. By reference to the audited financial statements, the Committee has determined that the fair value of the Plan's share of that investment is appropriate. Additionally, the Committee may consider guidance from their independent investment advisor regarding the reported market to book ratio of the investment.

Forest City 401(k) Employee Savings Plan & Trust  
Notes to Financial Statements  
December 31, 2013 and 2012

3. Fair Value Measurements (Continued)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31:

	2013			
	Level 1	Level 2	Level 3	Total
Mutual funds				
Fixed income funds	\$7,634,106	\$—	\$—	\$7,634,106
Growth funds	37,572,551	—	—	37,572,551
Index funds	1,108,158	—	—	1,108,158
International funds	11,348,758	—	—	11,348,758
Target-date retirement funds	48,389,570	—	—	48,389,570
Value funds	9,687,537	—	—	9,687,537
Other	78,830	—	—	78,830
Total mutual funds	115,819,510	—	—	115,819,510
Collective trust funds				
Index fund	—	11,774,271	—	11,774,271
Stable value fund	—	—	12,912,427	12,912,427
Total collective trust funds	—	11,774,271	12,912,427	24,686,698
Common stock of Forest City Enterprises, Inc.	11,663,161	—	—	11,663,161
Total assets at fair value	\$127,482,671	\$11,774,271	\$12,912,427	\$152,169,369
	2012			
	Level 1	Level 2	Level 3	Total
Mutual funds				
Fixed income funds	\$8,669,647	\$—	\$—	\$8,669,647
Growth funds	27,536,331	—	—	27,536,331
Index funds	637,260	—	—	637,260
International funds	9,318,900	—	—	9,318,900
Target-date retirement funds	36,213,110	—	—	36,213,110
Value funds	7,343,677	—	—	7,343,677
Other	67,639	—	—	67,639
Total mutual funds	89,786,564	—	—	89,786,564
Collective trust funds				
Index fund	—	9,639,164	—	9,639,164

Edgar Filing: FOREST CITY ENTERPRISES INC - Form 11-K

Stable value fund	—	—	12,920,710	12,920,710
Total collective trust funds	—	9,639,164	12,920,710	22,559,874
Common stock of Forest City Enterprises, Inc.	10,011,361	—	—	10,011,361
Total assets at fair value	\$99,797,925	\$9,639,164	\$12,920,710	\$122,357,799

7

---

Forest City 401(k) Employee Savings Plan & Trust  
 Notes to Financial Statements  
 December 31, 2013 and 2012

3. Fair Value Measurements (Continued)

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended December 31, 2013.

	Stable Value Fund	
Balance, beginning of year	\$12,920,710	
Change in unrealized gains	(352,116	)
Purchases	15,766,957	
Sales	(15,423,124	)
Balance, end of year	\$12,912,427	

The following table sets forth additional disclosures for the fair value measurement of investments in certain entities that calculate net asset value per share (or its equivalent) as of December 31, 2013 and 2012.

Investment Type	Fair Value		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
	2013	2012			
Equity Index Trust <sup>(a)</sup>	\$11,774,271	\$9,639,164	\$—	Daily	Daily
Stable Value Fund <sup>(b)</sup>	\$12,912,427	\$12,920,710	\$—	Daily <sup>(c)</sup>	Daily <sup>(c)</sup>

The objective of the Equity Index Trust is to match the performance of the Standard & Poor's 500 Stock Index. To (a) achieve this objective, the Trust invests substantially all of its assets in all of the stocks in the S&P 500 Index while attempting to maintain holdings of each stock in proportion to its weight in the index.

The objective of the Stable Value Fund ("Fund") is to provide maximum current income while maintaining stability of principal. To achieve this objective, the Fund will invest primarily in investments that are designed to provide stability and a competitive yield, such as, Synthetic Investment Contracts and Guaranteed Investment (b) Contracts. Because such investments are not actively traded in the open market and generally must be held until maturity, there is a risk that, like any investment, one or more of the Trust's holdings could fail to make scheduled interest and principal payments prior to maturity, potentially reducing the Trust's income level and causing a loss of principal. This Fund is a fully benefit-responsive investment contract and, as required, its fair value is adjusted to contract value.

Participants may ordinarily direct the withdrawal or transfer of all of their investment at contract value daily (c) without any limitations. Certain events including, but not limited to, partial or complete legal termination or tax disqualification of the Plan, may limit the ability of the Fund to transact at contract value; however, the Plan administrator believes that any such events are not probable of occurring.

Forest City 401(k) Employee Savings Plan & Trust  
Notes to Financial Statements  
December 31, 2013 and 2012

4. Investments

The following table presents investments that represent five percent or more of the Plan's net assets at December 31, 2013 and 2012.

	December 31, 2013	2012
American Funds EuroPacific Growth Fund	\$ 11,348,758	\$ 9,318,900
Forest City Enterprises, Inc. Common Stock, Class A	\$ 11,159,823	\$ 9,554,714
T. Rowe Price Blue Chip Growth Fund	\$ 19,715,033	\$ 14,558,336
T. Rowe Price Equity Index Trust	\$ 11,774,271	\$ 9,639,164
T. Rowe Price Retirement 2020 Fund	\$ 8,915,210	\$ 6,475,751
T. Rowe Price Retirement 2030 Fund	\$ 8,703,882	\$ 6,327,075
T. Rowe Price Stable Value Fund, at contract value (fair value \$12,912,427 and \$12,920,710, respectively)	\$ 12,731,977	\$ 12,388,144

During 2013, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$23,717,251 as follows:

Mutual funds	\$ 18,851,668
Collective trust funds	3,002,545
Common stock - Forest City Enterprises, Inc.	1,863,038
	\$ 23,717,251

5. Reconciliation to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2013 and 2012 to Form 5500:

	2013	2012
Net assets available for benefits per the financial statements	\$ 157,097,630	\$ 126,739,060
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	180,450	532,566
Net assets available for benefits per the Form 5500	\$ 157,278,080	\$ 127,271,626

The following is a reconciliation of the change in net assets available for benefits per the financial statements for the year ended December 31, 2013 to Form 5500:

Net increase in net assets available for benefits per the financial statements	\$ 30,358,570
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	180,450



Edgar Filing: FOREST CITY ENTERPRISES INC - Form 11-K

Recognition of adjustment from fair value to contract value for fully benefit-responsive investment contracts from prior year	(532,566	)
Net income per Form 5500	\$30,006,454	

9

---

Forest City 401(k) Employee Savings Plan & Trust  
Notes to Financial Statements  
December 31, 2013 and 2012

---

#### 6. Related Party Transactions

The Plan invests in common stock of the Company, as well as shares of mutual funds and collective trust funds managed by the Trustee, which qualify these transactions as party-in-interest transactions. The Plan held an investment in Forest City Enterprises, Inc. Class A common stock of \$11,159,823 (584,284 shares) and \$9,554,714 (591,623 shares) at December 31, 2013 and 2012, respectively, and the Plan held an investment in Forest City Enterprises, Inc. Class B common stock of \$503,338 (24,305 shares) and \$456,647 (26,136 shares) at December 31, 2013 and 2012, respectively.

#### 7. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would remain 100 percent vested in their Employer contributions and all unallocated amounts would be allocated to the participants in accordance with the provisions of the Plan.

#### 8. Tax Status

The Internal Revenue Service (“IRS”) issued an opinion letter dated March 31, 2008, stating that the form of the prototype plan used by the Plan is acceptable under Section 401 of the Internal Revenue Code (“IRC”). Although the Plan has been amended since the opinion letter was issued, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and the Plan is exempt from federal income taxes.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2013 and 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes that the Plan is no longer subject to income tax examinations for years prior to 2010.

Edgar Filing: FOREST CITY ENTERPRISES INC - Form 11-K

Forest City 401(k) Employee Savings Plan & Trust  
 Schedule H, line 4i - Schedule of Assets (Held at End of Year)  
 December 31, 2013

Description	Number of Units	Cost	Current Value
<b>Investments:</b>			
<b>Mutual funds:</b>			
American Beacon Stephens Small Cap Growth Instl	64,219	**	\$1,145,033
American Century Mid Cap Value Institutional	102,812	**	1,618,265
American Funds EuroPacific Growth Fund	231,277	**	11,348,758
Columbia Acorn Fund, Z	96,662	**	3,607,410
Dreyfus/ The Boston Company Small Cap Value Fund	89,643	**	2,657,011
Fidelity Contra Fund	53,602	**	5,153,302
PIMCO Low Duration Fund II	91,763	**	908,453
PIMCO Total Return Fund, Institutional Shares	584,059	**	6,243,587
TIAA-CREF Inflation Linked Bond I	43,003	**	482,066
Tradelink Investments Fund	78,830	**	78,830
* T. Rowe Price Blue Chip Growth Fund	305,186	**	19,715,033
* T. Rowe Price Equity Income Fund	214,084	**	7,030,526
* T. Rowe Price Mid Cap Growth Fund	87,023	**	6,333,508
* T. Rowe Price Retirement 2005 Fund	39,499	**	510,323
* T. Rowe Price Retirement 2010 Fund	283,014	**	5,043,304
* T. Rowe Price Retirement 2015 Fund	258,546	**	3,702,373
* T. Rowe Price Retirement 2020 Fund	437,234	**	8,915,210
* T. Rowe Price Retirement 2025 Fund	372,710	**	5,732,282
* T. Rowe Price Retirement 2030 Fund	385,128	**	8,703,882
* T. Rowe Price Retirement 2035 Fund	245,578	**	3,998,013
* T. Rowe Price Retirement 2040 Fund	251,893	**	5,896,803
* T. Rowe Price Retirement 2045 Fund	220,527	**	3,442,433
* T. Rowe Price Retirement 2050 Fund	97,512	**	1,273,504
* T. Rowe Price Retirement 2055 Fund	14,019	**	181,267
* T. Rowe Price Retirement Income Fund	66,994	**	990,176
Vanguard Mid Cap Index Fund	36,914	**	1,108,158
			115,819,510
<b>Collective trust funds:</b>			
* T. Rowe Price Equity Index Trust	187,190	**	11,774,271
* T. Rowe Price Stable Value Fund	12,731,977	**	12,912,427
			24,686,698
<b>Common stock of Forest City Enterprises, Inc.:</b>			
* Class A	584,284	**	11,159,823
* Class B	24,305	**	503,338
			11,663,161
* Participant loans, 4.25% interest rate			2,276,058

Total investments \$154,445,427

\* Denotes party-in-interest.

\*\* Participant-directed investment, cost information is omitted

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, Forest City Enterprises, Inc. has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

FOREST CITY 401(k) EMPLOYEE SAVINGS PLAN & TRUST  
(Name of Plan)

June 26, 2014  
(Date)

/s/ Robert G. O'Brien  
Robert G. O'Brien,  
Executive Vice President and  
Chief Financial Officer  
Forest City Enterprises, Inc.

---

Exhibit Index

Exhibit Number	Description of Document
23.1	Consent of Grant Thornton LLP regarding Forms S-8 (Registration Nos. 333-65058 and 333-173211).