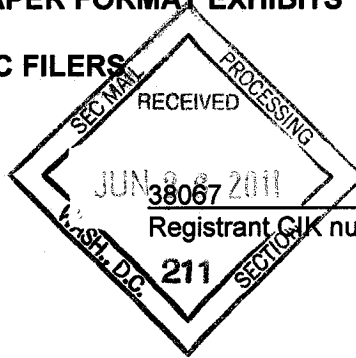




FORM SE

FORM FOR SUBMISSION OF PAPER FORMAT EXHIBITS

BY ELECTRONIC FILERS



Forest City Enterprises, Inc.  
Exact name of Registrant  
as specified in charter

38067  
Registrant CIK number

Form 11-K for Forest City 401(k)  
Employee Savings Plan & Trust  
(for fiscal year ended December 31, 2010)  
Electronic report, schedule or registration  
statement of which the documents are  
a part (give period of report)

1-4372

SEC file number, if available

Name of Person Filing the Document  
(If Other than the Registrant)

SIGNATURES

Filings Made By the Registrant:

The Registrant has duly caused this form to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Cleveland, State of Ohio, June 27, 2011.

Forest City Enterprises, Inc.  
(Registrant)

By:   
Robert G. O'Brien  
Executive Vice President,  
Chief Financial Officer and Treasurer

Filings Made by Person Other Than the Registrant:

After reasonable inquiry and to the best of my knowledge and belief, I certify on \_\_\_\_\_, 20\_\_\_\_, that the information set forth in this statement is true and complete.

By: \_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

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, 2010

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

Total number of  
sequential pages = 19

Exhibit Index is  
located on  
sequential page 18.

1.

**FOREST CITY 401(k) EMPLOYEE SAVINGS PLAN & TRUST**

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AUDITED FINANCIAL STATEMENTS AND  
SUPPLEMENTAL SCHEDULE

AT DECEMBER 31, 2010 AND 2009 AND  
FOR THE YEAR ENDED DECEMBER 31, 2010

**Forest City 401(k) Employee Savings Plan & Trust**  
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\* 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**

To the Participants and Administrator of  
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, 2010 and 2009, and the related statement of changes in net assets available for benefits for the year ended December 31, 2010. 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. The Plan is not required to have, nor were we engaged to perform an audit of its internal control over financial reporting. Our audit 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 the Plan as of December 31, 2010 and 2009, and the changes in its net assets available for benefits for the year ended December 31, 2010, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2, the Plan adopted new accounting guidance as of December 31, 2010 related to the accounting for loans to participants.

Our audits were conducted 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, 2010, 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 audit 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.

*Grant Thornton LLP*

Cleveland, Ohio  
June 24, 2011

**Forest City 401(k) Employee Savings Plan & Trust**  
**Statements of Net Assets Available for Benefits**  
**December 31, 2010 and 2009**

---

|                                                                                                   | <u>2010</u>           | <u>2009</u>          |
|---------------------------------------------------------------------------------------------------|-----------------------|----------------------|
| Assets                                                                                            |                       |                      |
| Investments at fair value                                                                         | \$ 102,398,262        | \$ 84,341,927        |
| Receivables:                                                                                      |                       |                      |
| Employer contributions                                                                            | 2,753,370             | 2,881,612            |
| Participant contributions                                                                         | -                     | 171,195              |
| Notes receivable from participants                                                                | 1,906,573             | 1,648,251            |
| Total receivables                                                                                 | <u>4,659,943</u>      | <u>4,701,058</u>     |
| Net assets reflecting investments at fair value                                                   | 107,058,205           | 89,042,985           |
| Adjustment from fair value to contract value for<br>fully benefit-responsive investment contracts | <u>(342,931)</u>      | <u>(283,586)</u>     |
| Net assets available for benefits                                                                 | <u>\$ 106,715,274</u> | <u>\$ 88,759,399</u> |

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, 2010**

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Additions:

Additions to net assets attributed to:

Investment income:

|                                               |                   |
|-----------------------------------------------|-------------------|
| Net appreciation in fair value of investments | \$ 12,394,704     |
| Dividends                                     | 1,773,158         |
| Total investment income                       | <u>14,167,862</u> |

|                                                       |        |
|-------------------------------------------------------|--------|
| Interest income on notes receivable from participants | 97,006 |
|-------------------------------------------------------|--------|

Contributions:

|                     |                   |
|---------------------|-------------------|
| Participant         | 7,613,927         |
| Employer            | 2,757,674         |
| Rollovers           | 166,715           |
| Total contributions | <u>10,538,316</u> |

|                 |            |
|-----------------|------------|
| Total additions | 24,803,184 |
|-----------------|------------|

Deductions:

Deductions from net assets attributed to:

|                               |                  |
|-------------------------------|------------------|
| Benefits paid to participants | 6,835,478        |
| Loan origination fees         | 11,831           |
| Total deductions              | <u>6,847,309</u> |
| Net increase                  | 17,955,875       |

Net assets available for benefits:

|                   |                              |
|-------------------|------------------------------|
| Beginning of year | <u>88,759,399</u>            |
| End of year       | <u><u>\$ 106,715,274</u></u> |

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, 2010 and 2009**

---

**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. Employees of RMS Investment Corporation and RMS Management Company (collectively "RMS"), both of which are affiliates of the Company, are also covered by the provisions of the Plan. During 2010, RMS contributed \$53,226 and RMS participants contributed \$116,508. 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 six months 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. 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 2010 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.



**Forest City 401(k) Employee Savings Plan & Trust**  
**Notes to Financial Statements**  
**December 31, 2010 and 2009**

---

**1. Description of the Plan - Continued**

G. *Notes Receivable from Participants.* Participants may borrow a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at 1% above prime (ranging from 4.25% to 9.25% at December 31, 2010 and 2009 respectively). The interest is fixed at the inception of the loan. 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.

*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.

The Plan follows accounting guidance with respect to fully benefit-responsive investment contracts held in the T. Rowe Price Stable Value Fund. 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 the portion of the net assets of an investment company attributable to fully benefit-responsive investment contracts because that is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. As required by accounting guidance, the Statement of Net Assets Available for Benefits presents investment contracts at fair value and an adjustment from fair value to contract value for the fully benefit-responsive investment contracts. The accounting guidance has no effect on net assets available for benefits.

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 (depreciation) in fair value of investments includes realized gains and losses and unrealized appreciation and depreciation on those investments.

**Forest City 401(k) Employee Savings Plan & Trust**  
**Notes to Financial Statements**  
**December 31, 2010 and 2009**

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**2. Summary of Significant Accounting Policies - Continued**

*Other.* Administrative expenses of the Plan are paid by the Employers. Loan origination fees are the responsibility of the participants, and are withdrawn from their investment accounts by the Trustee.

*Notes Receivable from Participants.* Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

*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, mutual funds, and other investment securities. 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.

*Accounting Standards Adopted.* In January 2010, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2010-06, "Fair Value Measurements and Disclosures (Topic 820) - Improving Disclosures About Fair Value Measurements" (ASU 2010-06), to add new disclosures about transfers into and out of Levels 1 and 2 and separate disclosures about purchases, sales, issuances and settlements relating to Level 3 measurements. ASU 2010-06 also clarifies existing fair value disclosures about the level of disaggregation and about inputs and valuation techniques used to measure fair value. This ASU was adopted in these financial statements except for the requirement to provide Level 3 activity of purchases, sales, issuances and settlements on a gross basis, which will be effective for fiscal years beginning on or after December 15, 2010.

In September 2010, the FASB issued ASU 2010-25, "Plan Accounting – Defined Contribution Pension Plans (Topic 962): Reporting Loans to Participants by Defined Contribution Pension Plans". ASU 2010-25 requires that participant loans be classified as notes receivable from participants, which are segregated from plan investments and measured at their unpaid principal balance plus any accrued but unpaid interest. The Plan adopted this new guidance in these financial statements and has reclassified participant loans as of December 31, 2009 from investments to notes receivable from participants. Net assets of the Plan were not affected by this change.

**Forest City 401(k) Employee Savings Plan & Trust**  
**Notes to Financial Statements**  
**December 31, 2010 and 2009**

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**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.

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, 2010 and 2009.

The valuation of investments has been provided by T. Rowe Price, the Trustee, and represents fair value. Mutual funds are valued at published market prices which represent the net asset value of shares held by the Plan at year end. Investments in collective trust funds are generally valued at their net asset value. 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 Statement 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

**Forest City 401(k) Employee Savings Plan & Trust**  
**Notes to Financial Statements**  
**December 31, 2010 and 2009**

**3. Fair Value Measurements - Continued**

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. Company stock is valued based on its year-end closing price.

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:

|                                               | 2010                 |                     |                     | Total                 |
|-----------------------------------------------|----------------------|---------------------|---------------------|-----------------------|
|                                               | Level 1              | Level 2             | Level 3             |                       |
| Mutual funds                                  |                      |                     |                     |                       |
| Fixed income funds                            | \$ 6,198,060         | \$ -                | \$ -                | \$ 6,198,060          |
| Growth funds                                  | 22,941,533           | -                   | -                   | 22,941,533            |
| Index funds                                   | 227,079              | -                   | -                   | 227,079               |
| International funds                           | 8,545,360            | -                   | -                   | 8,545,360             |
| Target-date retirement funds                  | 28,806,457           | -                   | -                   | 28,806,457            |
| Value funds                                   | 7,053,550            | -                   | -                   | 7,053,550             |
| Other                                         | 43,193               | -                   | -                   | 43,193                |
| Total mutual funds                            | <u>73,815,232</u>    | -                   | -                   | <u>73,815,232</u>     |
| Collective trust funds                        |                      |                     |                     |                       |
| Index fund                                    | -                    | 9,113,164           | -                   | 9,113,164             |
| Stable value fund                             | -                    | -                   | 9,487,860           | 9,487,860             |
| Total collective trust funds                  | -                    | <u>9,113,164</u>    | <u>9,487,860</u>    | <u>18,601,024</u>     |
| Common stock of Forest City Enterprises, Inc. | 9,982,006            | -                   | -                   | 9,982,006             |
| Total assets at fair value                    | <u>\$ 83,797,238</u> | <u>\$ 9,113,164</u> | <u>\$ 9,487,860</u> | <u>\$ 102,398,262</u> |

**Forest City 401(k) Employee Savings Plan & Trust**  
**Notes to Financial Statements**  
**December 31, 2010 and 2009**

**3. Fair Value Measurements – Continued**

|                                                      | 2009                 |                     |                     | Total                |
|------------------------------------------------------|----------------------|---------------------|---------------------|----------------------|
|                                                      | Level 1              | Level 2             | Level 3             |                      |
| <b>Mutual funds</b>                                  |                      |                     |                     |                      |
| Fixed income funds                                   | \$ 5,556,083         | \$ -                | \$ -                | \$ 5,556,083         |
| Growth funds                                         | 18,242,765           | -                   | -                   | 18,242,765           |
| Index funds                                          | 278,729              | -                   | -                   | 278,729              |
| International funds                                  | 7,614,167            | -                   | -                   | 7,614,167            |
| Target-date retirement funds                         | 22,503,334           | -                   | -                   | 22,503,334           |
| Value funds                                          | 5,592,830            | -                   | -                   | 5,592,830            |
| Other                                                | 61,914               | -                   | -                   | 61,914               |
| <b>Total mutual funds</b>                            | <b>59,849,822</b>    | <b>-</b>            | <b>-</b>            | <b>59,849,822</b>    |
| <b>Collective trust funds</b>                        |                      |                     |                     |                      |
| Index fund                                           | -                    | 8,126,066           | -                   | 8,126,066            |
| Stable value fund                                    | -                    | -                   | 9,443,526           | 9,443,526            |
| <b>Total collective trust funds</b>                  | <b>-</b>             | <b>8,126,066</b>    | <b>9,443,526</b>    | <b>17,569,592</b>    |
| <b>Common stock of Forest City Enterprises, Inc.</b> |                      |                     |                     |                      |
|                                                      | 6,922,513            | -                   | -                   | 6,922,513            |
| <b>Total assets at fair value</b>                    | <b>\$ 66,772,335</b> | <b>\$ 8,126,066</b> | <b>\$ 9,443,526</b> | <b>\$ 84,341,927</b> |

**Forest City 401(k) Employee Savings Plan & Trust**  
**Notes to Financial Statements**  
**December 31, 2010 and 2009**

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**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, 2010.

|                                                   | <u>Collective<br/>Trust Funds</u> |
|---------------------------------------------------|-----------------------------------|
| Balance, beginning of year                        | \$9,443,526                       |
| Change in unrealized gains                        | 59,345                            |
| Purchases, sales, issuances and settlements (net) | <u>(15,011)</u>                   |
| Balance, end of year                              | <u><u>\$9,487,860</u></u>         |

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, 2010.

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Unfunded<br/>Commitments</u> | <u>Redemption<br/>Frequency</u> | <u>Redemption<br/>Notice Period</u> |
|------------------------|-------------------|---------------------------------|---------------------------------|-------------------------------------|
| Equity Index Trust     | \$9,113,164       | \$ -                            | Daily                           | Daily                               |
| Stable Value Fund      | \$9,487,860       | \$ -                            | Daily                           | Daily                               |

The objective of the Equity Index Trust is to match the performance of the Standard & Poor's 500 Stock Index. To 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 is to provide maximum current income while maintaining stability of principal. To achieve this objective, the Fund will invest primarily in investment contracts that are designed to provide stability and a competitive yield, such as, Synthetic Investment Contracts and Guaranteed Investment Contracts. This Fund is a fully benefit-responsive investment contract and, as required, its fair value is adjusted to contract value. Certain events 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, 2010 and 2009**

**4. Investments**

The following table presents investments that represent five percent or more of the Plan's net assets at December 31, 2010 and 2009.

|                                                     | December 31,  |               |
|-----------------------------------------------------|---------------|---------------|
|                                                     | 2010          | 2009          |
| American Funds Europacific Growth Fund              | \$ 8,545,360  | \$ 7,614,167  |
| Forest City Enterprises, Inc. Common Stock, Class A | \$ 9,402,016  | \$ 6,471,407  |
| PIMCO Total Return Fund, Administrative Shares      | \$ 5,405,029  | \$ 4,981,788  |
| T. Rowe Price Blue Chip Growth Fund                 | \$ 12,023,257 | \$ 10,167,942 |
| T. Rowe Price Equity Index Trust                    | \$ 9,113,164  | \$ 8,126,066  |
| T. Rowe Price Stable Value Fund                     | \$ 9,487,860  | \$ 9,443,526  |

During 2010, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$12,394,704 as follows:

|                                              |               |
|----------------------------------------------|---------------|
| Mutual funds                                 | \$ 8,249,020  |
| Collective trust funds                       | 1,183,691     |
| Common stock - Forest City Enterprises, Inc. | 2,961,993     |
|                                              | \$ 12,394,704 |

**5. Reconciliation to Form 5500**

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2010 and 2009 to Form 5500:

|                                                                                                | 2010           | 2009          |
|------------------------------------------------------------------------------------------------|----------------|---------------|
| Net assets available for benefits per the financial statements                                 | \$ 106,715,274 | \$ 88,759,399 |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | 342,931        | 283,586       |
| Net assets available for benefits per the Form 5500                                            | \$ 107,058,205 | \$ 89,042,985 |

The following is a reconciliation of the change in net assets available for benefits per the financial statements for the year ended December 31, 2010 to Form 5500:

|                                                                                                                               |               |
|-------------------------------------------------------------------------------------------------------------------------------|---------------|
| Net increase in net assets available for benefits per the financial statements                                                | \$ 17,955,875 |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts                                | 342,931       |
| Recognition of adjustment from fair value to contract value for fully benefit-responsive investment contracts from prior year | (283,586)     |
| Net income per Form 5500                                                                                                      | \$ 18,015,220 |

**Forest City 401(k) Employee Savings Plan & Trust**  
**Notes to Financial Statements**  
**December 31, 2010 and 2009**

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**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 \$9,402,016 (563,332 shares) and \$6,471,407 (549,355 shares) at December 31, 2010 and 2009, respectively, and the Plan held an investment in Forest City Enterprises, Inc. Class B common stock of \$579,990 (31,938 shares) and \$451,106 (34,154 shares) at December 31, 2010 and 2009, 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 become 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, 2010, 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 2007.



**Forest City 401(k) Employee Savings Plan & Trust**  
**Schedule H, line 4i - Schedule of Assets (Held at End of Year)**  
**December 31, 2010**

| Description                                               | Number of<br>Units | Cost | Current<br>Value      |
|-----------------------------------------------------------|--------------------|------|-----------------------|
| Investments:                                              |                    |      |                       |
| Mutual funds:                                             |                    |      |                       |
| Alger Small Cap Growth Fund                               | 17,221             | **   | \$ 479,423            |
| American Funds EuroPacific Growth Fund                    | 206,559            | **   | 8,545,360             |
| Boston Company Small-Cap Value Fund                       | 78,410             | **   | 1,805,777             |
| Columbia Acorn Fund, Z                                    | 80,743             | **   | 2,437,633             |
| Fidelity Contra Fund                                      | 52,873             | **   | 3,581,091             |
| Janus Adv Perkins Midcap Val Fund                         | 45,151             | **   | 1,017,710             |
| PIMCO Low Duration Fund II                                | 69,661             | **   | 694,520               |
| PIMCO Total Return Fund, Administrative Shares            | 498,159            | **   | 5,405,029             |
| TIIA-CREF Inflation Linked Bond I                         | 8,907              | **   | 98,511                |
| Tradelink Investments Fund                                | 43,193             | **   | 43,193                |
| * T. Rowe Price Blue Chip Growth Fund                     | 315,323            | **   | 12,023,257            |
| * T. Rowe Price Equity Income Fund                        | 178,559            | **   | 4,230,063             |
| * T. Rowe Price Mid-Cap Growth Fund                       | 75,519             | **   | 4,420,129             |
| * T. Rowe Price Retirement 2005 Fund                      | 73,450             | **   | 832,925               |
| * T. Rowe Price Retirement 2010 Fund                      | 266,773            | **   | 4,092,293             |
| * T. Rowe Price Retirement 2015 Fund                      | 265,101            | **   | 3,152,052             |
| * T. Rowe Price Retirement 2020 Fund                      | 297,859            | **   | 4,896,807             |
| * T. Rowe Price Retirement 2025 Fund                      | 251,892            | **   | 3,032,778             |
| * T. Rowe Price Retirement 2030 Fund                      | 293,161            | **   | 5,065,820             |
| * T. Rowe Price Retirement 2035 Fund                      | 181,239            | **   | 2,216,556             |
| * T. Rowe Price Retirement 2040 Fund                      | 180,555            | **   | 3,145,275             |
| * T. Rowe Price Retirement 2045 Fund                      | 137,497            | **   | 1,596,336             |
| * T. Rowe Price Retirement 2050 Fund                      | 43,838             | **   | 426,980               |
| * T. Rowe Price Retirement 2055 Fund                      | 8,421              | **   | 81,096                |
| * T. Rowe Price Retirement Income Fund                    | 20,407             | **   | 267,539               |
| Vanguard Mid-Cap Index Fund                               | 11,181             | **   | 227,079               |
|                                                           |                    |      | <u>73,815,232</u>     |
| Collective trust funds:                                   |                    |      |                       |
| * T. Rowe Price Equity Index Trust                        | 228,228            | **   | 9,113,164             |
| * T. Rowe Price Stable Value Fund                         | 9,144,929          | **   | 9,487,860             |
|                                                           |                    |      | <u>18,601,024</u>     |
| Common stock of Forest City Enterprises, Inc.:            |                    |      |                       |
| * Class A                                                 | 563,332            | **   | 9,402,016             |
| * Class B                                                 | 31,938             | **   | 579,990               |
|                                                           |                    |      | <u>9,982,006</u>      |
| Total investments                                         |                    |      | <u>\$ 102,398,262</u> |
| * Participant loans, interest rates ranging 4.25% - 9.25% |                    | \$0  | <u>\$ 1,906,573</u>   |

\* 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 27, 2011  
(Date)

  
\_\_\_\_\_  
Robert G. O'Brien,  
Executive Vice President,  
Chief Financial Officer and Treasurer  
Forest City Enterprises, Inc.

## Exhibit Index

Exhibit  
Number

Description of Document

|      |                                                                                                    |
|------|----------------------------------------------------------------------------------------------------|
| 23-1 | Consent of Grant Thornton LLP regarding Forms S-8<br>(Registration Nos. 333-65058 and 333-173211). |
|------|----------------------------------------------------------------------------------------------------|

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We have issued our report dated June 24, 2011, with respect to the financial statements and supplemental information included in the Annual Report of Forest City 401(k) Employee Savings Plan & Trust on Form 11-K for the year ended December 31, 2010. We hereby consent to the incorporation by reference of said report in the Registration Statement of Forest City Enterprises, Inc. on Forms S-8 (File No. 333-65058, effective June 25, 1993 and File No. 333-173211, effective March 31, 2011).

*Grant Thornton LLP*

Cleveland, Ohio  
June 24, 2011