

SUGARMAN JAY  
Form 4  
March 04, 2010

**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 \*  
SUGARMAN JAY

(Last) (First) (Middle)

1114 AVENUE OF THE AMERICAS, 39TH FLOOR

(Street)

NEW YORK, NY 10036

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
ISTAR FINANCIAL INC [SFI]

3. Date of Earliest Transaction  
(Month/Day/Year)  
03/02/2010

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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)
Restricted Stock Units (1)	03/02/2010		A	806,518 (1)	\$ 0	D	
					7,043,030 (2)		
					(3)		

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 Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Following Transaction (Instr. 5)
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## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SUGARMAN JAY 1114 AVENUE OF THE AMERICAS, 39TH FLOOR NEW YORK, NY 10036	X		Chairman and CEO	

## Signatures

s/ Jay Sugarman                      03/04/2010

\_\_Signature of                      Date  
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) On March 2, 2010, the Compensation Committee of iStar Financial Inc.'s Board of Directors approved an incentive award to the Reporting Person, Mr. Jay Sugarman, in the amount of 806,518 Restricted Stock Units (Units). The Units represent the right to receive an equivalent number of shares of iStar common stock (net of shares deducted for applicable taxes and other withholdings) if and when the Units vest. These Units will cliff vest on March 2, 2012 if certain performance and service conditions have been achieved.
  - (2) Following this award, the Reporting Person owns a total of 7,043,030 Units, representing the right to receive an equivalent number of shares of iStar common stock (net of shares deducted for applicable taxes and other withholdings) if and when the Units vest in accordance with the terms of the award agreements for the Units.
  - (3) In addition to these Restricted Stock Units, the Reporting Person is the beneficial owner of (a) 2,797,219 shares of iStar common stock, of which 2,752,675 shares are owned directly (including 53,487 shares acquired in January 2010, net of tax withholdings, upon vesting of Units) and 44,544 shares are owned indirectly by the Reporting Person's spouse, and (b) 2,000 shares of iStar Series D preferred stock, which are owned directly.

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.