

MCDONALD JOHN G
Form 4/A
June 13, 2006

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 *
MCDONALD JOHN G

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
GSB STANFORD UNIVERSITY,
518 MEMORIAL WY

3. Date of Earliest Transaction
(Month/Day/Year)
05/30/2006

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

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)
05/30/2006

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

STANFORD, CA 94305-5015

(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 Indirect Beneficial Ownership (Instr. 4)		
				(A) or (D)	Price				
				Code	V	Amount			
Common Stock, par value \$.001 per share	05/30/2006		X	6,900 (1)	A	\$ 26.087	20,350	I	As Trustee
Common Stock, par value \$.001 per share	05/30/2006		P	0 (1)	A	\$ 0	11,550	I	By IRA

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

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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 Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Options to purchase common stock	\$ 26.087	05/30/2006		X	6,900	05/30/1996 05/30/2006	Common Stock	6,900

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MCDONALD JOHN G GSB STANFORD UNIVERSITY, 518 MEMORIAL WY STANFORD, CA 94305-5015	X			

Signatures

s/ John G. McDonald 05/30/2006

__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) This Form 4 is being filed by the reporting person to report the acquisition of a total of 6,900 shares of common stock of iStar Financial Inc. (SFI) on 5/30/2006 upon the exercise of a vested stock option. Following this transaction, the reporting person is the beneficial owner of an aggregate of 31,900 SFI shares: 20,350 SFI shares owned indirectly as trustee of a family trust and 11,550 SFI shares owned indirectly by the reporting person's IRA.

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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