

ISTAR FINANCIAL INC  
 Form 4  
 July 11, 2007

**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, 27TH 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)  
**07/09/2007**

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)
			Code	V	Amount (A) or (D) Price		
Common Stock, \$.001 par value	07/09/2007		S		33,001 (1) \$ 45.841 (3)	D	
Common Stock, \$.001 par value	07/09/2007		J		0 \$ 0 (3)	I	By family trusts

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**

SEC 1474 (9-02)

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

**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. 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, 27TH FLOOR NEW YORK, NY 10036	X		Chairman and CEO	

## Signatures

s/ Jay Sugarman                      07/11/2007  
 \*\*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) A total of 33,001 shares of common stock of iStar Financial Inc. have been sold for the account of the reporting person on July 9, 2007, at an average price of \$45.841 per share. These sales were made pursuant to a Rule 10b5-1 sales plan originally adopted by the reporting person on June 21, 2007.
- (2) On June 21, 2007, an aggregate of 267,308 shares of iStar common stock held by family trusts established for the benefit of the reporting person's children (and indirectly beneficially owned by the reporting person) were transferred to the reporting person and held by him directly. In addition, on June 22, 2007, 250,000 shares of iStar common stock held by the reporting person directly were transferred to a family trust established for the benefit of the reporting person's children (and indirectly beneficially owned by the reporting person). These transactions are exempt from reporting under Section 16(b) of the Securities Exchange Act of 1934 and are being voluntarily reported herein.
- (3) Following the completion of these transactions, the reporting person is the beneficial owner of a total of 2,446,325 shares of common stock of iStar Financial Inc., of which 1,795,637 shares are owned directly and 650,688 shares are owned indirectly through family trusts. In addition, the reporting person owns an aggregate of 131,397 restricted stock units that have not yet vested, representing the right to receive an equivalent number of shares of iStar common stock if and when the units vest, 27,382 of which units were granted pursuant to

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an award dated March 2, 2006 and 104,015 of which units were granted pursuant to an award dated January 19, 2007.

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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