

ISTAR FINANCIAL INC
Form 4
August 09, 2007

FORM 4

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

OMB APPROVAL

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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)
08/08/2007

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock, \$.001 par value	08/08/2007		M		50,000 (1) \$ 14.72	D	
Common Stock, \$.001 par value	08/08/2007		D		33,000 (2) \$ 37.1082	D	
Common Stock, \$.001 par value	08/08/2007		J		0 \$ 0	I	By family trusts

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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)	Amount or Number of Shares
Options to purchase common stock	\$ 14.72	08/08/2008		M	50,000	11/12/2001 03/01/2008	Common stock, \$.001 par value	50,000

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 08/08/2007
 **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) On August 8, 2007, the reporting person acquired 50,000 shares of common stock of iStar Financial Inc. pursuant to the exercise of a stock option.
 Also on August 8, 2007, a total of 33,000 shares of common stock of iStar Financial Inc. were sold for the account of the reporting person, at an average price of \$37.1082 per share. These sales were made pursuant to a Rule 10b5-1 sales plan originally adopted by the reporting person on June 21, 2007.
- (3) Following the completion of these transactions, the reporting person is the beneficial owner of a total of 2,463,325 shares of common stock of iStar Financial Inc., of which 1,812,637 shares are owned directly and 650,688 shares are owned indirectly through family trusts.

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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 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. 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.