

ISTAR FINANCIAL INC
Form 4
January 19, 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 *
RICE CATHERINE

(Last) (First) (Middle)

1114 AVENUE OF THE AMERCIAS, 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)
01/19/2007

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)
Chief Financial Officer

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
Restricted Stock Units (1)	01/19/2007		A		31,204 (1)	A	\$ 0 (1)
					54,024 (2) (3)	D	

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

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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 Reporting Transaction (Instr. 6)
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Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
RICE CATHERINE 1114 AVENUE OF THE AMERCIAS, 27TH FLOOR NEW YORK, NY 10036			Chief Financial Officer	

Signatures

s/ Catherine D
Rice

01/19/2007

**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).
- iStar Financial Inc. has granted the Reporting Person an award of 31,204 Restricted Stock Units effective January 19, 2007. The Units represent the right to receive an equivalent number of shares of iStar common stock if and when the Units vest. The Units will vest in annual installments as follows: 10,402 Units on 1/2/08; 10,401 Units on 1/2/09; and 10,401 Units on 1/2/10. Vesting is based on continued employment. Units that are not vested may not be sold, transferred or pledged except by will, the laws of descent or to or for the benefit of the Reporting Person's family. If the Reporting Person voluntarily terminates her employment with iStar, or iStar terminates the Reporting Person's employment for cause (as defined in the award), any unvested portion of the Units will be forfeited automatically as of the date of termination of employment. The Reporting Person is entitled to receive common stock dividend equivalents on vested and unvested Units.
- (1) The Reporting Person also owns 22,820 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, pursuant to an award dated March 2, 2006.
 - (2) In addition to these Restricted Stock Units, the Reporting Person is the beneficial owner of a total of 181,618 shares of iStar common stock, all of 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.