CAPITAL TRUST INC

Form 4

August 17, 2006

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

3235-0287

OMB APPROVAL

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subject to Section 16. Form 4 or Form 5

if no longer

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obligations may continue. See Instruction

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * SAGALYN LYNNE B

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to

Issuer

(First) (Last)

UNIVERSITY OF

(Middle)

3. Date of Earliest Transaction

CAPITAL TRUST INC [CT]

(Check all applicable)

(Month/Day/Year)

08/15/2006

X_ Director 10% Owner Officer (give title Other (specify

PENNSYLVANIA, 127 MEYERSON, HALL, 210 SOUTH

(Street)

34TH ST.

4. If Amendment, Date Original

Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

PHILADELPHIA, PA 19104

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)

2. Transaction Date 2A. Deemed (Month/Day/Year) Execution Date, if

(Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 8) (Instr. 3, 4 and 5)

Code V Amount

5. Amount of Securities Beneficially Owned Following

6. Ownership 7. Nature of Indirect Form: Direct (D) or Beneficial Indirect (I) Ownership (Instr. 4) (Instr. 4)

(A)

(D)

Reported Transaction(s)

(Instr. 3 and 4) Price

Class A Common

08/15/2006

M 8,334 Α \$ 18 8,334 D

Stock (1)

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. Transactio Code (Instr. 8)	5. Number iom f 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)	
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (right to buy)	\$ 18	08/15/2006		M		8,334	(2)	07/15/2007	Common Stock	8,334

Reporting Owners

Reporting Owner Name / Address	Kelationships					
·	Director	10% Owner	Officer	Other		
SAGALYN LYNNE B						
UNIVERSITY OF PENNSYLVANIA, 127 MEYERSON						
HALL, 210 SOUTH 34TH ST.	X					
PHILADELPHIA, PA 19104						

Signatures

/s/ Geoffrey G. Jervis, on behalf of Lynne B.
Sagalyn

08/17/2006

Explanation of Responses:

**Signature of Reporting Person

- * 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) The reporting person directly beneficially owns 18,052 Class A Common Stock Units which convert to shares of Class A Common Stock on a one-for-one basis.

Date

- (2) The stock options vested in 1/3 increments on each of July 15, 1998, July 15, 1999 and July 15, 2000.
- (3) The stock options were granted under the Capital Trust, Inc. Amended and Restated 1997 Non-Employee Director Stock Plan.

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.

Reporting Owners 2