

ISTAR FINANCIAL INC  
Form 4  
January 22, 2008

**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 \*  
**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)  
01/18/2008

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)	01/18/2008		A		79,823 (1) (2)	A	\$ 0
					112,034 (3) (4)	D	

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

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SEC 1474 (9-02)

**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

01/22/2008

\*\*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 awards of 79,823 Restricted Stock Units effective January 18, 2008. The Units represent the right to receive an equivalent number of shares of iStar common stock if and when the Units vest. Units that are not vested
- (1) 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. In addition, if the Reporting Person voluntarily terminates employment with iStar, or iStar terminates the Reporting Person's employment for cause (as defined in the award), any unvested Units will be forfeited automatically as of the date of termination of employment.
- Of the total number of Units awarded, 44,346 Units ("Time Vest Units") will vest in annual installments of 14,782 each in January 2009, January 2010 and January 2011 if the Reporting Person is employed on the applicable vesting date. The Reporting Person is entitled to receive common stock dividend equivalent payments on the unvested Time Vest Units from the award date. The remaining 35,477 Units
- (2) ("Performance Vest Units") will cliff vest on December 31, 2010 if iStar common stock has achieved a total shareholder return of 20%, compounded annually, over the vesting period and the Reporting Person is employed on the vesting date. The Reporting Person is not entitled to receive common stock dividend equivalent payments on the unvested Performance Vest Units.
  - (3) The Reporting Person also owns 32,211 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 awards dated March 2, 2006 and January 19, 2007.
  - (4) In addition to these Restricted Stock Units, the Reporting Person is the beneficial owner of a total of 194,973 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.