

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0287
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1. Name and Address of Reporting Person* <u>MCDONALD JOHN G</u> _____ (Last) (First) (Middle) <u>GSB, STANFORD UNIVERSITY</u> <u>518 MEMORIAL WAY</u> _____ (Street) <u>STANFORD CA 94305-5015</u> _____ (City) (State) (Zip)			2. Issuer Name and Ticker or Trading Symbol <u>ISTAR FINANCIAL INC [SFI]</u>		5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner _____ Officer (give title below) Other (specify below)	
			3. Date of Earliest Transaction (Month/Day/Year) <u>06/03/2003</u>			
			4. If Amendment, Date of Original Filed (Month/Day/Year)		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> 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	(A) or (D)	Price			

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 Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Common Stock Equivalents	\$0	06/03/2003		A		2,500 ⁽¹⁾		(2)	(2)	Common Stock	2,500	\$0	2,500	D	
Common Stock Equivalents	\$0	10/29/2003		P		44 ⁽³⁾		(2)	(2)	Common Stock	44	\$37.87	2,544	D	
Common Stock Equivalents	\$0	12/29/2003		P		44 ⁽³⁾		(2)	(2)	Common Stock	44	\$38.7	2,588	D	
Common Stock Equivalents	\$0	04/29/2004		P		50 ⁽³⁾		(2)	(2)	Common Stock	50	\$36.15	2,638	D	
Common Stock Equivalents	\$0	05/25/2004		A		2,500 ⁽¹⁾		(2)	(2)	Common Stock	2,500	\$0	5,138	D	
Common Stock Equivalents	\$0	07/29/2004		P		95 ⁽³⁾		(2)	(2)	Common Stock	95	\$37.03	5,233	D	
Common Stock Equivalents	\$0	10/29/2004		A		88 ⁽³⁾		(2)	(2)	Common Stock	88	\$41.42	5,321	D	
Common Stock Equivalents	\$0	12/29/2004		A		83 ⁽³⁾		(2)	(2)	Common Stock	82	\$44.7	5,403	D	

Explanation of Responses:

- Under the iStar Financial Inc. Non-Employee Directors Deferral Plan ("Plan"), the reporting person receives an annual grant of 2,500 common stock equivalents commencing with the 2003 annual meeting of shareholders. Each annual award vests on the date of the next following annual meeting after the date of grant, except the 2003 award vested 18 months after the date of grant.
- Vested common stock equivalents will be distributed to the holder following the earlier of (i) the holder's ceasing to be a non-employee director or (ii) the holder's death, or upon a change of control. Distributions will be in the form of an equal number of shares of common stock, unless the holder elects to receive payment in cash.
- Each common stock equivalent entitles the holder to receive a dividend equivalent right, which consists of the right to receive a cash payment equal to the dividend paid on a share of iStar common stock. In lieu of payment of dividend equivalent rights in cash, the reporting person has elected to have additional common stock equivalents credited in respect of a dividend equivalent payment, in accordance with the Plan.

s/ John G. McDonald 05/02/2005
 ** Signature of Reporting Person Date

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

* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.