

**INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES**

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

1. Name and Address of Reporting Person* <u>MATIS NINA</u>  (Last) (First) (Middle) <u>1114 AVENUE OF THE AMERICAS</u>  (Street) <u>NEW YORK NY 10036</u>  (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) <u>10/06/2008</u>	3. Issuer Name and Ticker or Trading Symbol <u>ISTAR FINANCIAL INC [ SFI ]</u>	
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Executive Vice President</u>	5. 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 Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
<u>Common Stock, \$.001 par value</u>	<u>31,857<sup>(1)(2)(3)</sup></u>	<u>D</u>	

**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date				

**Explanation of Responses:**

1. The Reporting Person also owns 110,527 Restricted Stock Units ("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. 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. 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.

2. Of the total number of Units held by the Reporting Person, 83,145 Units ("Time Vest Units") vest in annual installments over three years from the date of the respective award of such Units if the Reporting Person is employed on the applicable vesting date: 9,127 Units are unvested from an award dated January 25, 2006 and will vest in January 2009; 20,803 Units are unvested from an award dated January 19, 2007 and will vest in January 2009 (10,402 Units) and in January 2010 (10,401 Units); and 53,215 Units are unvested from an award dated January 18, 2008 and will vest in January 2009 (17,739 Units), in January 2010 (17,738 Units) and in January 2011 (17,738 Units). The Reporting Person is entitled to receive common stock dividend equivalent payments on the unvested Time Vest Units from the award date.

3. The remaining Units ("Performance Vest Units") held by the Reporting Person were awarded January 18, 2008 and will "cliff" vest on December 31, 2010 if (a) iStar common stock has achieved a total shareholder return of 20%, compounded annually, over the vesting period commencing on the award date and (b) 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.

s/ Nina B Matis 10/06/2008  
 \*\* 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 5 (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.