

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K/A

(MARK ONE)

/X/ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001
OR

/ / TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM _____ TO _____

COMMISSION FILE NO. 1-15371

ISTAR FINANCIAL INC.

(Exact name of registrant as specified in its charter)

MARYLAND
(State or other jurisdiction of
incorporation or organization)

95-6881527
(I.R.S. Employer
Identification Number)

1114 AVENUE OF THE AMERICAS, 27TH FLOOR
NEW YORK, NY 10036
(Address of principal executive offices)

10036
(Zip code)

Registrant's telephone number, including area code: (212) 930-9400

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Name of Exchange on which registered:
COMMON STOCK, \$0.001 PAR VALUE	NEW YORK STOCK EXCHANGE
9.375% SERIES B CUMULATIVE REDEEMABLE PREFERRED STOCK, \$0.001 PAR VALUE	NEW YORK STOCK EXCHANGE
9.200% SERIES C CUMULATIVE REDEEMABLE PREFERRED STOCK, \$0.001 PAR VALUE	NEW YORK STOCK EXCHANGE
8.000% SERIES D CUMULATIVE REDEEMABLE PREFERRED STOCK, \$0.001 PAR VALUE	NEW YORK STOCK EXCHANGE

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant: (i) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
registrant was required to file such reports); and (ii) has been subject to such
filing requirements for the past 90 days. Yes /X/ No / /

Indicate by check mark if disclosure of delinquent filers pursuant to Item
405 of Regulation S-K is not contained herein, and will not be contained, to the
best of registrant's knowledge, in definitive proxy or information statements

incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. / /

As of March 15, 2002, the aggregate market value of the common stock, \$0.001 par value per share of iStar Financial Inc. ("Common Stock"), held by non-affiliates(1) of the registrant was approximately \$2.4 billion, based upon the closing price of \$28.29 on the New York Stock Exchange composite tape on such date.

As of March 15, 2002, there were 87,877,976 shares of Common Stock outstanding.

(1) For purposes of this Annual Report only, includes all outstanding Common Stock other than Common Stock held directly by the Registrant's directors and executive officers.

DOCUMENTS INCORPORATED BY REFERENCE

1. Portions of the registrant's definitive proxy statement for the registrant's 2002 Annual Meeting, to be filed within 120 days after the close of the registrant's fiscal year, are incorporated by reference into Part III of this Annual Report on Form 10-K.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected financial data on a consolidated historical basis for the Company. However, prior to March 1998, as discussed more fully in Note 1 to the Company's Consolidated Financial Statements (the "Recapitalization Transactions"), the Company did not have substantial operations or capital resources. Prior to the Recapitalization Transactions, the Company's structured finance operations were conducted by two private investment partnerships which contributed substantially all their structured finance assets to the Company in the Recapitalization Transactions in exchange for cash and shares of the Company.

Further, on November 4, 1999, as more fully discussed in Note 4 to the Company's Consolidated Financial Statements, the Company acquired TriNet, which increased the size of the Company's operations, and also acquired its external advisor. Operating results for the year ended December 31, 1999 reflect only the effects of these transactions subsequent to their consummation.

Accordingly, the historical balance sheet information as of and prior to December 31, 1998, as well as the results of operations for the Company for all periods prior to and including the year ended December 31, 1999, do not reflect the current operations of the Company as a well capitalized, internally-managed finance company operating in the commercial real estate industry. For these reasons, the Company believes that the information contained in the following tables relating to the 1997 period is not indicative of the Company's current business and should be read in conjunction with the discussions set forth in Item 7--"Management's Discussion and Analysis of Financial Condition and Results of Operations."

FOR THE YEAR ENDED DECEMBER 31,	-----	-----	-----	-----	-----
				2001	2000
1999	1998	1997	-----	-----	-----
----- OPERATING DATA: Interest					
income.....				\$	
254,119	\$ 268,011	\$ 209,848	\$ 112,914	\$ 896	Operating
lease income.....					
	201,257	185,956	42,186	12,378	-- Other
income.....					
28,800	17,855	12,763	2,804	991	-----
----- Total					
revenue.....					
484,176	471,822	264,797	128,096	1,887	-----
----- Interest					
expense.....					
170,121	173,891	91,184	44,697	--	Operating costs-
corporate tenant lease assets.....				12,800	
	12,809	2,246	--	--	Depreciation and
amortization.....				35,642	34,514
	10,340	4,287	--		General and
administrative.....				24,151	
25,706	6,269	2,583	461		General and administrative--
Stock-based					
compensation.....				3,575	
	2,864	412	5,985	--	Provision for loan
losses.....				7,000	6,500

fees..... -- --
 16,193 7,837 -- Costs incurred in acquiring external
 advisor(1)..... -- -- 94,476 -- --
 ----- Total
 expenses.....
 253,289 256,284 225,870 68,139 461 -----
 ----- Income before
 minority interest, gain on sales of corporate tenant
 lease assets, extraordinary loss and cumulative
 effect of change in accounting principle... 230,887
 215,538 38,927 59,957 1,426 Minority interest in
 consolidated entities..... (218) (195) (41)
 (54) (1,415) Gain on sales of corporate tenant lease
 assets..... 1,145 2,948 -- -- -- Extraordinary
 loss on early extinguishment of debt..... (1,620)
 (705) -- -- -- Cumulative effect of change in
 accounting
 principle(2).....
 (282) -- -- --
 ----- Net
 income.....
 \$ 229,912 \$ 217,586 \$ 38,886 \$ 59,903 \$ 11 Preferred
 dividend requirements.....
 (36,908) (36,908) (23,843) (944) -- -- --
 ----- Net income
 allocable to common shareholders..... \$
 193,004 \$ 180,678 \$ 15,043 \$ 58,959 \$ 11 =====
 ===== Basic
 earnings per common share(3)..... \$
 2.24 \$ 2.11 \$ 0.25 \$ 1.40 \$ 0.01 =====
 ===== Diluted
 earnings per common share..... \$
 2.19 \$ 2.10 \$ 0.25 \$ 1.36 \$ 0.00 =====
 ===== Dividends
 declared per common share(4)..... \$ 2.45
 \$ 2.40 \$ 1.86 \$ 1.14 \$ 0.00 =====
 =====

FOR THE YEAR ENDED DECEMBER 31, -----
 ----- 2001 2000
 1999 1998 1997 -----
 ----- SUPPLEMENTAL DATA: Dividends declared
 on preferred shares..... \$ 36,578 \$
 36,576 \$ 24,819 \$ 929 \$ -- Dividends declared on
 common shares..... 213,089 205,477
 116,813 60,343 -- Adjusted earnings allocable to
 common shareholders(5)
 (7)..... 255,132
 230,688 127,798 66,615 11 Cash flows from: Operating
 activities..... \$
 264,835 \$ 202,715 \$ 119,625 \$ 54,915 \$ 1,271
 Investing
 activities.....
 (321,100) (176,652) (143,911) (1,271,309) (6,013)
 Financing
 activities..... 49,183
 (37,719) 48,584 1,226,208 4,924 EBITDA(6)
 (7).....
 436,650 423,943 140,451 116,778 -- Ratio of EBITDA to
 interest expense(8)..... 2.57x 2.44x
 1.54x 2.44x -- Ratio of EBITDA to combined fixed
 charges(9)..... 2.10x 2.01x 1.22x 2.39x --
 Ratio of earnings to fixed
 charges(10)..... 2.3x 2.2x 1.4x 2.3x --
 Ratio of earnings to fixed charges and preferred
 stock
 dividends(10).....
 1.9x 1.9x 1.1x 2.3x -- Weighted average common shares
 outstanding--basic(11)... 86,349 85,441 57,749 41,607
 1,258 Weighted average common shares outstanding--
 diluted(11)..... 88,234
 86,151 60,393 43,460 2,562 BALANCE SHEET DATA: Loans
 and other lending investments, net.....
 \$2,377,763 \$2,225,183 \$2,003,506 \$ 1,823,761 \$ --
 Corporate tenant lease assets,
 net..... 1,841,800 1,670,169

	1,714,284	189,942	--	Total
assets.....				
4,378,560	4,034,775	3,813,552	2,059,616	13,441 Debt obligations.....
2,495,369	2,131,967	1,901,204	1,055,719	-- Minority interest in consolidated entities.....
6,224	2,565	--	5,175	Shareholders' equity.....
1,787,885	1,801,343	970,728	6,351	SUPPLEMENTAL DATA:
				Total debt to shareholders' equity.....
				1.4x 1.2x 1.1x 1.1x --

EXPLANATORY NOTES:

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- (1) As more fully discussed in Note 4 to the Company's Consolidated Financial Statements, this amount represents a non-recurring, non-cash charge of approximately \$94.5 million relating to the acquisition of the Company's external advisor in November 1999.
 - (2) Represents one-time effect of adoption of Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" as of January 1, 2001.
 - (3) Prior to November 1999, earnings per common share excludes 1% of net income allocable to the Company's former class B shares. The former class B shares were exchanged for Common Stock in connection with the acquisition of TriNet and other related transactions on November 4, 1999. As a result, the Company now has a single class of Common Stock outstanding.
 - (4) The Company generally declares common and preferred dividends in the month subsequent to the end of the quarter.
 - (5) Adjusted earnings represents net income in accordance with GAAP, before gains (losses) on sales of corporate tenant lease assets, extraordinary items and cumulative effect of change in accounting principle, plus depreciation and amortization, less preferred stock dividends, and after adjustments for unconsolidated partnerships and joint ventures and, for the year ended December 31, 1999, exclude the non-recurring, non-cash cost incurred in acquiring the Company's external advisor (see Note 4 to the Company's Consolidated Financial Statements).
 - (6) EBITDA is calculated as total revenue minus the sum of general and administrative expenses, general and administrative--stock-based compensation, provision for loan losses and operating costs on corporate tenant lease assets.
 - (7) Each of adjusted earnings and EBITDA should be examined in conjunction with net income as shown in the Consolidated Statements of Operations. Neither adjusted earnings nor EBITDA should be considered as an alternative to net income (determined in accordance with GAAP) as an indicator of the Company's performance, or to cash flows from operating activities (determined in accordance with GAAP) as a measure of the Company's liquidity, nor is either measure indicative of funds available to fund the Company's cash needs or available for distribution to shareholders. The Company's management believes that adjusted earnings and EBITDA more closely approximate operating cash flow and are useful measures for investors to consider, in conjunction with net income and other GAAP measures, in evaluating the Company's financial performance. This is primarily because the Company is a commercial finance company that focuses on real estate lending and corporate tenant leasing; therefore, the Company's net income (determined in accordance with GAAP) reflects significant non-cash depreciation expense on corporate tenant lease assets. It should be noted that the Company's manner of calculating adjusted earnings and EBITDA may differ from the calculations of similarly-titled measures by other companies.
 - (8) The 1999 and 1998 EBITDA to interest expense ratios on a pro forma basis (see Note 4 to the Company's Consolidated Financial Statements) would have been 2.83x and 2.84x, respectively.
 - (9) Combined fixed charges are comprised of interest expense, capitalized interest, amortization of loan costs and preferred stock dividend requirements. The 1999 and 1998 EBITDA to combined fixed charges ratios on a pro forma basis (see Note 4 to the Company's Consolidated Financial Statements) would have been 2.23x and 2.44x, respectively.
 - (10) For the purposes of calculating the ratio of earnings to fixed charges, "earnings" consist of income from continuing operations before income taxes

and cumulative effect of changes in accounting principles plus "fixed charges" and certain other adjustments. "Fixed charges" consist of interest incurred on all indebtedness related to continuing operations (including amortization of original issue discount) and the implied interest component of the Company's rent obligations in the years presented. For 1999, these ratios include the effect of a non-recurring, non-cash charge in the amount of approximately \$94.5 million relating to the November 1999 acquisition of the former external advisor to the Company. Excluding the effect of this non-recurring, non-cash charge, the ratio of earnings to fixed charges for that period would have been 2.5x and our ratio of earnings to fixed charges and preferred stock dividends would have been 2.0x.

(11) As adjusted for one-for-six reverse stock split effected by the Company on June 19, 1998.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, and Rule 12b-15 of that Act, the Registrant has duly caused this Amendment to be signed on its behalf by the undersigned, thereunto duly authorized.

iSTAR FINANCIAL INC.
REGISTRANT

Date: July 18, 2002

/s/ JAY SUGARMAN

Jay Sugarman
CHAIRMAN OF THE BOARD OF DIRECTORS

/s/ SPENCER B. HABER

Spencer B. Haber
PRESIDENT, CHIEF FINANCIAL OFFICER AND DIRECTOR

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