

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
Estimated average burden hours per response:	0.5

1. Name and Address of Reporting Person* <u>DISTASO DAVID MICHAEL</u> (Last) (First) (Middle) <u>C/O ISTAR FINANCIAL</u> <u>1114 AVENUE OF THE AMERICAS 39TH FLOOR</u> (Street) <u>NEW YORK NY 10036</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) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>CHIEF FINANCIAL OFFICER</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>02/15/2013</u>	
		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> 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			
Common Stock	02/15/2013		A		6,429 ⁽¹⁾	A	\$0	32,344 ⁽⁶⁾	D	
Common Stock	02/15/2013		F		2,376 ⁽¹⁾	D	\$0	32,344 ⁽⁶⁾	D	
Common Stock	02/11/2013		A	V	20,000 ⁽²⁾	A	\$0	32,344 ⁽⁶⁾	D	
Common Stock	02/11/2013		F	V	7,394 ⁽²⁾	D	\$0	32,344 ⁽⁶⁾	D	
Common Stock	01/01/2013		A	V	7,500 ⁽³⁾	A	\$0	32,344 ⁽⁶⁾	D	
Common Stock	01/01/2013		F	V	3,170 ⁽³⁾	D	\$0	32,344 ⁽⁶⁾	D	
Restricted Stock Units	02/15/2013		A		20,000 ⁽⁴⁾	A	\$0	57,500 ⁽⁶⁾	D	
Restricted Stock Units	02/15/2013		A		30,000 ⁽⁵⁾	A	\$0	57,500 ⁽⁶⁾	D	

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					

Explanation of Responses:

- Effective February 15, 2013, the Reporting Person, Mr. David DiStaso, has been granted 6,429 shares of iStar Financial Inc. common stock (Shares) in connection with an annual incentive award. After deducting 2,376 Shares for applicable tax withholding, the Reporting Person acquired a net amount of 4,053 Shares. The Shares are fully vested and are subject to transfer restrictions which provide that one-half of the Shares may not be sold for one year and one-half of the Shares may not be sold for two years from the date of the award.
- Effective February 11, 2013, the Reporting Person acquired 20,000 shares of iStar common stock upon the vesting of Units pursuant to an award February 11, 2011, which award has been previously reported on Form 4. After deducting 7,394 shares for applicable tax withholding, the Reporting Person acquired a net amount of 12,606 shares of iStar common stock.
- Effective January 1, 2013, the Reporting Person acquired 7,500 shares of iStar common stock upon the vesting of Units pursuant to an award originally dated December 19, 2008, as amended July 1, 2011, which award has been previously reported on Form 4. After deducting 3,170 shares for applicable tax withholding, the Reporting Person acquired a net amount of 4,330 shares of iStar common stock.
- The Reporting Person has been granted an incentive equity award in the amount of 20,000 Units representing the right to receive an equivalent number of shares of iStar common stock (net of shares deducted for applicable taxes and other withholdings) if and when the Units vest. Subject to the terms of the award agreement, the Units will vest in three equal annual installments on December 11, 2013, December 11, 2014 and December 11, 2015 if certain service conditions have been satisfied.
- The Reporting Person has been granted long-term incentive equity awards in the total amount of 30,000 Restricted Stock Units (Units), consisting of time-based (service condition) awards and performance-based (market condition) awards. The Units represent the right to receive an equivalent number of shares of iStar common stock (net of shares deducted for applicable taxes and other withholdings) if and when the Units vest. Subject to the terms of the agreements, 9,000 Units will cliff vest on February 1, 2016 if certain service conditions have been satisfied; 7,000 Units will vest on December 31, 2013 if certain performance and service conditions have been achieved; and 14,000 Units will vest on December 31, 2014 if certain performance and service conditions have been achieved.
- Following these transactions, the Reporting Person is the direct beneficial owner of 32,344 shares of iStar common stock and also owns a total of 57,500 Units, representing the right to receive an equivalent number of shares of iStar common stock (net of shares deducted for applicable taxes and other withholdings) if and when the Units vest.

David M. DiStaso 02/20/2013
 ** 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.

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