

**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	
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1. Name and Address of Reporting Person* <u>SUGARMAN JAY</u>  (Last) (First) (Middle) 1114 AVENUE OF THE AMERICAS, 39TH FLOOR  (Street) NEW YORK NY 10036  (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  <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <b>Chairman and CEO</b>
	3. Date of Earliest Transaction (Month/Day/Year) 11/29/2012	
	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			
Common Stock	11/29/2012		s		100,000 <sup>(1)</sup>	D	\$7.7463	2,852,436 <sup>(1)(3)</sup>	D	
Common Stock	11/30/2012		s		88,175 <sup>(1)</sup>	D	\$7.6745	2,852,436 <sup>(1)(3)</sup>	D	
Common Stock								44,544	I	By spouse
Restricted Stock Units								3,237,037 <sup>(2)</sup>	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:**

- On November 29 and 30, 2012, a total of 188,175 shares of iStar Financial Inc. (iStar) Common Stock were sold on behalf of the Reporting Person, Mr. Jay Sugarman, in open market sales transactions, as follows: 100,000 shares were sold on November 29, 2012 at an average price of \$7.7463 per share, and 88,175 shares were sold on November 30, 2012 at an average price of \$7.6745 per share. Following the transactions reported in this Form 4, the Reporting Person is the beneficial owner of a total of 2,896,980 shares of iStar common stock, including 2,852,436 shares owned directly and 44,544 shares owned indirectly by his spouse.
- The Reporting Person is also the holder of 3,237,037 Restricted Stock Units (Units), representing the right to receive an equivalent number of shares of iStar Common Stock (net of shares deducted for taxes and other withholdings) if and when the Units vest.
- Table I, Column 5, of this Form 4 reports the amount of shares of iStar Common Stock beneficially owned by the Reporting Person Amount of Securities Beneficially Owned Following Reported Transaction(s) as of the date of this report and corrects information previously reported in a Form 4 filed on March 12, 2012.

s/ Jay Sugarman 11/30/2012  
 \*\* 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.