

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

| OMB APPROVAL | |
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| OMB Number: | 3235-0104 |
| Estimated average burden hours per response: | 0.5 |

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

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|---|--|--|--|
| 1. Name and Address of Reporting Person* <u>COCHRANE COLLIN LEE</u> (Last) (First) (Middle) <u>C/O ISTAR FINANCIAL INC.</u> <u>1114 AVENUE OF THE AMERICAS 39TH FLOOR</u> (Street) <u>NEW YORK NY 10036</u> (City) (State) (Zip) | 2. Date of Event Requiring Statement (Month/Day/Year) <u>02/22/2011</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>Chief Accounting Officer</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 <input type="checkbox"/> 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 per share</u> | <u>874⁽¹⁾⁽²⁾</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 | | | | |
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Explanation of Responses:

1. The Reporting Person also holds a total of 46,490 Restricted Stock Units (Units) that have not yet vested, representing the right to receive an equivalent number of shares of iStar's common stock (net of shares withheld for applicable taxes and other withholdings) if and when the Units vest. Units that have not vested may not be pledged, sold, or transferred except by will, the laws of descent or to or for the benefit of the Reporting Person's family. If the Reporting Person voluntarily terminates his employment with iStar, or iStar terminates the Reporting Person's employment for cause (as defined in the award), any unvested portion of the Units will be forfeited automatically as of the date of termination.

2. Of the total number of Units held by the Reporting Person, 25,000 Units will vest in one installment on 10/8/2011, 4,460 Units will vest in one installment on 2/17/12 and 2,500 Units will vest in one installment on 2/11/13, in each case if the Reporting Person continues to be employed by iStar on the applicable vesting date. 15,000 Units will vest in one installment on 1/1/2012 if certain share price performance conditions have been achieved and the Reporting Person continues to be employed by iStar on the vesting date.

s/ Collin L. Cochrane 02/22/2011

** 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.