FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

STATEMENT	OF CHANGES	IN BENEFICIAL	OWNERSHIP

	OMB Number:	3235-0287							
	Expires:	December 31, 2014							
l	Estimated average burden								
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OMB APPROVAL

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

1. Name and Address of Reporting Person* <u>SUGARMAN JAY</u>				2. Issuer Name and Ticker or Trading Symbol ISTAR FINANCIAL INC [SFI]									(Che	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) X Director 10% Owner				
(Last)	(Last) (First) (Middle)					3. Date of Earliest Transaction (Month/Day/Year) 05/16/2003)	Offic belov	,	Other below and CEO	(specify /)
(Street)					4. If	4. If Amendment, Date of Original Filed (Month/Day/Year)							Line	Individual or Joint/Group Filing (Check Applicable Line) X Form filed by One Reporting Person				
(City)	(St	ate) (2	Zip)											2	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. Transac Date (Month/Da					Execution Date,		3. Transaction Code (Instr. 8) 4. Securiti Disposed 5)							6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)			
								Code	v	Amount	(A (D) or)	Price	Transa	action(s) 3 and 4)		(IIISU. 4)	
Common Stock, par value \$.001 per share 05/16/2				2003		J ⁽¹⁾		579,059 A		A	0	1,6	1,682,484					
Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)																		
			Transa Code (I	ransaction of code (Instr. Derivative			6. Date Exercisable and Expiration Date (Month/Day/Year)			7. Title and Amount of Securities Underlying Derivative Security (Instr. and 4)		Di Si (II	Price of erivative ecurity estr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s (Instr. 4)	Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)		
					Code	v	(A)	(D)	Date Exercisal		Expiration Date	Title	Amou or Numb of Share	er				

Explanation of Responses:

1. The shares were distributed to the reporting person by a limited liability company in a stock distribution made without consideration to all members of the company on a pro rata basis.

05/16/2003 s/ Jay Sugarman

** 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.