

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **April 23, 2009**

iStar Financial Inc.

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of
incorporation)

1-15371

(Commission File
Number)

95-6881527

(IRS Employer
Identification Number)

**1114 Avenue of the Americas, 39th Floor
New York, New York**

(Address of principal executive offices)

10036

(Zip Code)

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

N/A

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 8.01 Other Events.

On April 23, 2009, iStar Financial Inc. (the "Company") issued a press release announcing, among other things, a change in the consideration to be issued in exchange for the Company's Senior Floating Rate Notes due March 2010 and the Company's 5.375% Senior Notes due April 2010. Additionally, the Company announced that the withdrawal deadline has expired with respect to its previously announced private exchange offers.

For additional information concerning the foregoing, a copy of the Company's press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

ITEM 9.01 Financial Statements and Exhibits.

Exhibit 99.1 Press Release dated April 23, 2009

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: April 23, 2009

By: /s/ Jay Sugarman
Jay Sugarman
Chairman and Chief Executive Officer

Date: April 23, 2009

By: /s/ James D. Burns
James D. Burns
Executive Vice-President, Chief Financial Officer and Treasurer

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EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release dated April 23, 2009

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iStar Financial Inc.
 1114 Avenue of the Americas
 New York, NY 10036
 (212) 930-9400

News Release

COMPANY CONTACTS

James D. Burns
 Chief Financial Officer

Andrew G. Backman
 Senior Vice President — Investor Relations

[NYSE: SFI]

**iStar Financial Announces Increase in Consideration
 in Exchange Offers for Priority 1 Notes**

NEW YORK - April 23, 2009 - iStar Financial Inc. (NYSE: SFI) announced today that it has increased the consideration it will pay to holders of Priority 1 Notes in its previously announced private exchange offers. The Priority 1 Notes consist of the Company's Senior Floating Rate Notes due March 2010 and 5.375% Senior Notes due April 2010.

iStar is now offering to exchange each \$1,000 principal amount of Priority 1 Notes validly tendered pursuant to the private exchange offers for \$950 principal amount of 8.0% Second-Priority Senior Secured Guaranteed Notes due March 2011. iStar will pay the increased consideration to all holders of Priority 1 Notes who have already tendered, as well as holders who validly tender prior to the expiration date of midnight, New York City time, on May 6, 2009, unless extended by the Company.

Except as described in this press release, the terms of each of the private exchange offers and the cash tender offer set forth in iStar's Offering Memorandum dated April 9, 2009 (the "Offering Memorandum") and the related letter of transmittal remain unchanged. There has been no change in the total consideration or the exchange offer consideration offered for the Priority 2 Notes or Priority 3 Notes.

The withdrawal deadline with respect to the offers occurred at 5:00 pm New York City time, on April 22, 2009. Each of the offers will expire at midnight, New York City time, on May 6, 2009, unless extended by the Company.

The private exchange offers and the cash tender offer are not conditioned on any principal amount of notes being tendered. However, the offers are subject to certain other conditions, as more fully described in the Offering Memorandum and related letter of transmittal.

Documents relating to the offers will only be distributed to holders of notes who complete and return a letter of eligibility confirming that they are eligible investors for the purposes of the offers. Holders who desire a copy of the eligibility letter should contact Global Bondholder Service Corporation, the information agent for the offers, (866) 794-2200 (U.S. Toll-free) or (212) 925-1630 (Collect).

The new notes offered in the private exchange offers will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), or any other applicable securities laws and, unless so registered, such new notes may not be offered, sold, pledged or otherwise transferred

within the United States or to or for the account or benefit of any U.S. person, except pursuant to an exemption from the registration requirements of the Securities Act. Accordingly, the new notes are being offered and issued only (i) in the United States, to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act), and (ii) outside the United States to persons who are not U.S. persons (as defined in Regulation S under the Securities Act) and who are non-U.S. qualified offerees.

This press release is for informational purposes only and is neither an offer to purchase the any notes nor a solicitation of an offer to sell the new notes. The offers to buy the notes are only being made pursuant to the Offering Memorandum, as amended hereby, and the related letter of transmittal that the Company distributed to eligible investors in connection with the offers. The offers are not being made to persons in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. In any jurisdiction in which the securities laws or blue sky laws require the offers to be made by a licensed broker of dealer, the offers will be deemed to be made on behalf of the Company by one or more of the dealer managers, or one or more registered brokers or dealers that are licensed under the laws of such jurisdiction.

This press release includes statements that are considered "forward-looking statements." These forward-looking statements reflect the Company's current views about its plans, strategies and prospects, which are based on the information currently available to it and on assumptions that the Company's management has made. Although the Company believes that its plans, intentions and expectations as reflected in or suggested by those forward-looking statements are reasonable, the Company can give no assurance that the plans, intentions or expectations will be achieved. The Company assumes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise. In evaluating forward-looking statements, you should consider these risks and uncertainties, and you should not place undue reliance on those statements.