

SUGARMAN JAY
Form 5
February 15, 2013

FORM 5

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person *
SUGARMAN JAY

2. Issuer Name and Ticker or Trading Symbol
ISTAR FINANCIAL INC [SFI]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
12/31/2012

Director 10% Owner
 Officer (give title below) Other (specify below)
Chairman and CEO

1114 AVENUE OF THE AMERICAS, 39TH FLOOR

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Reporting

(check applicable line)

NEW YORK, NY 10036

Form Filed by One Reporting Person
 Form Filed by More than One Reporting Person

(City) (State) (Zip)

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 at end of Issuer's Fiscal Year (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|--|--|--|
| | | | | (A) or (D) Price | | | |
| Common Stock | 12/28/2012 | ^ | G | 631,000 (1) D \$ 0 | 2,265,980 (2) | D | ^ |
| Common Stock | ^ | ^ | ^ | ^ ^ ^ | 44,544 (2) | I | By Spouse |
| Restricted Stock Units | ^ | ^ | ^ | ^ ^ ^ | 3,237,037 (3) | D | ^ |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless

SEC 2270 (9-02)

the form displays a currently valid OMB control number.

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 Underlying Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Other |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|----------|
| | | | | | (A) (D) | Date Exercisable Expiration Date | Title Amount or Number of Shares | | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|------------------|-------|
| | Director | 10% Owner | Officer | Other |
| SUGARMAN JAY 1114 AVENUE OF THE AMERICAS, 39TH FLOOR NEW YORK, NY 10036 | X | | Chairman and CEO | |

Signatures

s/ Jay Sugarman 02/15/2013
 **Signature of Reporting Person Date

Explanation of Responses:

- * 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).
- (1) On December 28, 2012, the Reporting Person, Mr. Jay Sugarman, made a gift of 631,000 shares of iStar common stock beneficially owned directly by him to a family trust. The Reporting Person is not the beneficial owner of the shares of iStar common stock held by the family trust.
- (2) As of December 31, 2012, the Reporting Person is the beneficial owner of a total of 2,265,980 shares of iStar common stock, including 2,221,436 shares owned directly and 44,544 shares owned indirectly by his spouse.
- (3) As of December 31, 2012, 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.

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.