

ISTAR FINANCIAL INC

Form 4

January 19, 2007

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
NYDICK JAY S

(Last) (First) (Middle)

1114 AVENUE OF THE
AMERICAS 27TH FLR

(Street)

NEW YORK, NY 10036

(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
01/19/2007

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
____X____ Officer (give title below) ____ Other (specify below)

PRESIDENT

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ 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 Ownership (Instr. 4)
Restricted Stock Units (1)	01/19/2007		A	46,807 (1)	\$ 0 (1)	74,189 (1) (2)	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 the form
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SEC 1474
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)**

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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. Nu Deriv Secur Bene Own Follo Repor Trans (Instr
				Code	V (A) (D)	Date Exercisable	Expiration Date	Amount or Number of Shares	

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
NYDICK JAY S 1114 AVENUE OF THE AMERICAS 27TH FLR NEW YORK, NY 10036	PRESIDENT

Signatures

s/ Jay S Nydick 01/19/2007

__Signature of Date
Reporting Person

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) iStar Financial Inc. has granted the Reporting Person an award of 46,807 Restricted Stock Units effective January 19, 2007. The Units represent the right to receive an equivalent number of shares of iStar common stock if and when the Units vest. The Units will vest in annual installments as follows: 15,603 Units on 1/2/08; 15,602 Units on 1/2/09; and 15,602 Units on 1/2/10. Vesting is based on continued employment. Units that are not vested may not be sold, transferred or pledged 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 of employment. The Reporting Person is entitled to receive common stock dividend equivalents on vested and unvested Units.

(2) The Reporting Person also owns 27,382 Restricted Stock Units that have not yet vested, representing the right to receive an equivalent number of shares of iStar common stock if and when the Units vest, pursuant to an award dated March 2, 2006.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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