NYDICK JAY S Form 4 March 24, 2006

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB APPROVAL OMB

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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

(Print or Type Responses)

1(b).

(City)

(State)

(Zip)

may continue.

See Instruction

1. Name and Address of Reporting Person * 5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading NYDICK JAY S Issuer Symbol ISTAR FINANCIAL INC [SFI] (Check all applicable) (First) (Middle) (Last) 3. Date of Earliest Transaction (Month/Day/Year) Director 10% Owner X_ Officer (give title Other (specify 1114 AVENUE OF THE 03/24/2006 below) **AMERICAS 27TH FLR PRESIDENT** (Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check Filed(Month/Day/Year) Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting NEW YORK, NY 10036 Person

| | (City) | (State) (Z | Table Table | I - Non-De | rivative Se | ecuritie | s Acq | uired, Disposed of | f, or Beneficial | ly Owned |
|-----|-------------------------|--------------------------------------|-----------------------------------|--------------------|---|----------|-------------|--|----------------------------------|-------------------------|
| Sec | Fitle of curity str. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any | 3. Transactio | 4. Securities Acquired on(A) or Disposed of (D) | | | 5. Amount of Securities Beneficially | 6. Ownership Form: Direct (D) or | |
| | ŕ | | (Month/Day/Year) | (Instr. 8) Code V | (Instr. 3, 4 | (A) or | Price | Owned Following Reported Transaction(s) (Instr. 3 and 4) | Indirect (I) (Instr. 4) | Ownership (Instr. 4) |
| | estricted ock Units | 03/24/2006 | | A | 41,073 (1) | Δ | \$ 0 (1) | 41,073 | D | |

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless 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)

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| 1. Title of | 2. | 3. Transaction Date | 3A. Deemed | 4. | 5. | 6. Date Exerc | cisable and | 7. Title | e and | 8. Price of | 9. Nu |
|-------------|-------------|---------------------|--------------------|-----------------------|------------|---------------|-------------|----------|----------|-------------|--------|
| Derivative | Conversion | (Month/Day/Year) | Execution Date, if | on Date, if Transacti | | Expiration D | ate | Amou | nt of | Derivative | Deriv |
| Security | or Exercise | | any | Code | of | (Month/Day/ | Year) | Under | lying | Security | Secui |
| (Instr. 3) | Price of | | (Month/Day/Year) | (Instr. 8) | Derivative | e | | Securi | ties | (Instr. 5) | Bene |
| | Derivative | | | | Securities | | | (Instr. | 3 and 4) | | Owne |
| | Security | | | | Acquired | | | | | | Follo |
| | · | | | | (A) or | | | | | | Repo |
| | | | | | Disposed | | | | | | Trans |
| | | | | | of (D) | | | | | | (Instr |
| | | | | | (Instr. 3, | | | | | | ` |
| | | | | | 4, and 5) | | | | | | |
| | | | | | , , | | | | | | |
| | | | | | | | | | Amount | | |
| | | | | | | Date | Expiration | | or | | |
| | | | | | | Exercisable | Date | Title Nu | Number | | |
| | | | | | | | | | of | | |
| | | | | Code V | (A) (D) | | | | 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 03/24/2006

**Signature of Person 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).

iStar Financial Inc. has granted the Reporting Person an award of 41,073 Restricted Stock Units effective March 24, 2006. The Units represent the right to receive an equivalent number of shares of iStar's common stock if and when the Units have vested. The Units will vest in annual installments as follows: 13,691 Units on 1/3/07; 13,691 Units on 1/3/08 and 13,691 Units on 1/3/09. 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.

Note: File three copies of this Form, one of which must be manually signed. If space 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.

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