

ISTAR FINANCIAL INC  
Form SC 13G  
December 17, 2010

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

**SCHEDULE 13G**

**Under the Securities Exchange Act of 1934  
(Amendment No. )\***

iStar Financial Inc.  
(Name of Issuer)  
Common Stock, par value \$0.001 per share  
(Title of Class of Securities)  
45031U101  
(CUSIP Number)  
December 8, 2010  
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 ( Act ) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 45031U101

**1** NAMES OF REPORTING PERSONS  
Fir Tree Value Master Fund, L.P.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

**2**  
(a)   
(b)

**3** SEC USE ONLY

**4** CITIZENSHIP OR PLACE OF ORGANIZATION  
Cayman Islands

NUMBER OF **5** SOLE VOTING POWER  
0

SHARES **6** SHARED VOTING POWER  
BENEFICIALLY OWNED BY 3,894,840

EACH **7** SOLE DISPOSITIVE POWER  
REPORTING PERSON 0

WITH: **8** SHARED DISPOSITIVE POWER  
3,894,840

**9** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
3,894,840

**10** CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

o

**11** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

4.2%

**12** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

PN

CUSIP No. 45031U101

**1** NAMES OF REPORTING PERSONS  
Fir Tree Capital Opportunity Master Fund, L.P.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

**2**  
(a)   
(b)

**3** SEC USE ONLY

**4** CITIZENSHIP OR PLACE OF ORGANIZATION  
Cayman Islands

**5** SOLE VOTING POWER  
NUMBER OF 0

**6** SHARED VOTING POWER  
SHARES BENEFICIALLY OWNED BY 438,404

**7** SOLE DISPOSITIVE POWER  
EACH REPORTING PERSON 0

**8** SHARED DISPOSITIVE POWER  
WITH: 438,404

**9** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
438,404

**10** CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

o

**11** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

0.5%

**12** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

PN

CUSIP No. 45031U101

**1** NAMES OF REPORTING PERSONS  
Fir Tree REOF II Master Fund, LLC

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

**2**  
(a)   
(b)

**3** SEC USE ONLY

**4** CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

**5** SOLE VOTING POWER  
NUMBER OF 0

**6** SHARED VOTING POWER  
SHARES BENEFICIALLY OWNED BY 411,144

**7** SOLE DISPOSITIVE POWER  
EACH REPORTING PERSON 0

**8** SHARED DISPOSITIVE POWER  
WITH: 411,144

**9** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
411,144

**10** CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

o

**11** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

0.4%

**12** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

OO

CUSIP No. 45031U101

**1** NAMES OF REPORTING PERSONS  
Fir Tree, Inc.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

**2**  
(a)   
(b)

**3** SEC USE ONLY

**4** CITIZENSHIP OR PLACE OF ORGANIZATION  
New York

**5** SOLE VOTING POWER  
NUMBER OF 0

**6** SHARED VOTING POWER  
SHARES BENEFICIALLY OWNED BY 4,744,388

**7** SOLE DISPOSITIVE POWER  
EACH REPORTING PERSON 0

**8** SHARED DISPOSITIVE POWER  
WITH: 4,744,388

**9** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
4,744,388



**10** CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

o

**11** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

5.1%

**12** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

CO

**SCHEDULE 13G**

This Schedule 13G (this Schedule 13G ) is being filed on behalf of Fir Tree Value Master Fund, L.P., a Cayman Islands exempted limited partnership ( Fir Tree Value ), Fir Tree Capital Opportunity Master Fund, L.P., a Cayman Islands exempted limited partnership ( Fir Tree Capital ), Fir Tree REOF II Master Fund, LLC, a Delaware limited liability company ( Fir Tree REOF ), and Fir Tree, Inc., a New York corporation ( Fir Tree ), relating to Common Stock, par value \$0.001 per share (the Common Stock ), issued by iStar Financial Inc. (the Issuer ), purchased by Fir Tree Value, Fir Tree Capital and Fir Tree REOF. Fir Tree is the investment manager of Fir Tree Value, Fir Tree Capital and Fir Tree REOF. Fir Tree Value, Fir Tree Capital, Fir Tree REOF and Fir Tree are collectively referred to herein as the Reporting Persons.

**Item 1(a) Name of Issuer.**

iStar Financial Inc.

**Item 1(b) Address of Issuer's Principal Executive Offices.**

1114 Avenue of the Americas  
39<sup>th</sup> Floor  
New York, NY 10036

**Item 2(a) Name of Person Filing.**

**Item 2(b) Address of Principal Business Office.**

**Item 2(c) Place of Organization.**

Fir Tree Value Master Fund, L.P.  
c/o Admiral Administration Ltd.  
Admiral Financial Center, 5th Floor  
90 Fort Street, Box 32021 SMB  
Grand Cayman, Cayman Islands  
A Cayman Islands exempted limited partnership

Fir Tree Capital Opportunity Master Fund, L.P.  
c/o Admiral Administration Ltd.  
Admiral Financial Center, 5th Floor  
90 Fort Street, Box 32021 SMB  
Grand Cayman, Cayman Islands  
A Cayman Islands exempted limited partnership

Fir Tree REOF II Master Fund, LLC  
c/o Fir Tree, Inc.  
505 Fifth Avenue  
23rd Floor  
New York, New York 10017  
A Delaware limited liability company

Fir Tree, Inc.  
505 Fifth Avenue

23<sup>rd</sup> Floor  
New York, New York 10017  
A New York corporation

Fir Tree is the investment manager of Fir Tree Value, Fir Tree Capital and Fir Tree REOF, and has been granted investment discretion over portfolio investments, including the Common Stock, held by each of them.

**Item 2(d) Title of Class of Securities.**

Common Stock, par value \$0.001 per share (the Common Stock )

**Item 2(e) CUSIP Number.**

45031U101

**Item 3 Reporting Person.**

The person filing is not listed in Items 3(a) through 3(j).

**Item 4 Ownership.**

- (a) Fir Tree Value is the beneficial owner of 3,894,840 shares of Common Stock. Fir Tree Capital is the beneficial owner of 438,404 shares of Common Stock. Fir Tree REOF is the beneficial owner of 411,144 shares of Common Stock. Fir Tree may be deemed to beneficially own the Common Stock held by Fir Tree Value, Fir Tree Capital and Fir Tree REOF as a result of being the investment manager of Fir Tree Value, Fir Tree Capital and Fir Tree REOF.
- (b) Fir Tree Value, Fir Tree Capital and Fir Tree REOF beneficially own 3,894,840, 438,404 and 411,144 shares of Common Stock, respectfully, which represents approximately 4.2%, 0.5% and 0.4%, respectively, of the shares of Common Stock outstanding. Collectively, the Reporting Persons beneficially own 4,744,388 shares of Common Stock which represents approximately 5.1% of the Common Stock outstanding. These percentages are determined by dividing the number of shares of Common Stock beneficially held by each of the Reporting Persons, by 92,318,899, the number of shares of Common Stock issued and outstanding as of October 29, 2010, as reported in the Form 10-Q filed by the Issuer with the Securities and Exchange commission on November 8, 2010.
- (c) Fir Tree Value may direct the vote and disposition of 3,894,840 shares of Common Stock. Fir Tree Capital may direct the vote and disposition of 438,404 shares of Common Stock. Fir Tree REOF may direct the vote and disposition of 411,144 shares of Common Stock. Fir Tree has been granted investment discretion over the shares of Common Stock held by Fir Tree Value, Fir Tree Capital and Fir Tree REOF, and thus, has the shared power to direct the vote and disposition of 4,744,388 shares of Common Stock.

**Item 5 Ownership of Five Percent or Less of a Class.**

Inapplicable.

**Item 6 Ownership of More Than Five Percent on Behalf of Another Person.**

Inapplicable.

**Item 7 Identification and Classification of the Subsidiary which Acquired the Security Being Reported On by the Parent Holding Company.**

Inapplicable.

**Item 8 Identification and Classification of Members of the Group.**

Inapplicable.

**Item 9 Notice of Dissolution of Group.**

Inapplicable.

**Item 10 Certification.**

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: December 17, 2010

FIR TREE VALUE MASTER FUND, L.P.

By: FIR TREE, INC., its Manager

By: /s/ Jeffrey Tannenbaum  
Name: Jeffrey Tannenbaum  
Title: President

FIR TREE CAPITAL OPPORTUNITY  
MASTER FUND, L.P.

By: FIR TREE, INC., its Manager

By: /s/ Jeffrey Tannenbaum  
Name: Jeffrey Tannenbaum  
Title: President

FIR TREE REOF II MASTER FUND, LLC

By: /s/ Jeffrey Tannenbaum  
Name: Jeffrey Tannenbaum  
Title: Authorized Person

FIR TREE, INC.

By: /s/ Jeffrey Tannenbaum  
Name: Jeffrey Tannenbaum  
Title: President

**EXHIBIT 1**

**JOINT FILING AGREEMENT**

In accordance with Rule 13d-1(k) under the Securities Exchange Act of 1934, as amended, the undersigned agree to the joint filing on behalf of each of them of a Statement on Schedule 13G (including any and all amendments thereto) with respect to the Common Stock, par value \$0.001 per share, of iStar Financial Inc., a Maryland corporation, and further agree that this Joint Filing Agreement shall be included as an Exhibit to such joint filings.

The undersigned further agree that each party hereto is responsible for the timely filing of such Statement on Schedule 13G and any amendments thereto, and for the accuracy and completeness of the information concerning such party contained therein; provided, however, that no party is responsible for the accuracy or completeness of the information concerning any other party, unless such party knows or has reason to believe that such information is inaccurate.

This Joint Filing Agreement may be signed in counterparts with the same effect as if the signature on each counterpart were upon the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of December 17, 2010.

FIR TREE VALUE MASTER FUND, L.P.

By: FIR TREE, INC., its Manager

By: /s/ Jeffrey Tannenbaum  
Name: Jeffrey Tannenbaum  
Title: President

FIR TREE CAPITAL OPPORTUNITY  
MASTER FUND, L.P.

By: FIR TREE, INC., its Manager

By: /s/ Jeffrey Tannenbaum  
Name: Jeffrey Tannenbaum  
Title: President

FIR TREE REOF II MASTER FUND, LLC

By: /s/ Jeffrey Tannenbaum  
Name: Jeffrey Tannenbaum  
Title: Authorized Person

FIR TREE, INC.

By: /s/ Jeffrey Tannenbaum  
Name: Jeffrey Tannenbaum  
Title: President