

Colony Financial, Inc.
Form 3
December 30, 2010

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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

(Print or Type Responses)

<p>1. Name and Address of Reporting Person *</p> <p>^ Luxor Capital Group, LP</p> <p>(Last) (First) (Middle)</p> <p>1114 AVENUE OF THE AMERICAS, ^ 29TH FLOOR</p> <p>(Street)</p> <p>NEW YORK, ^ NY ^ 10036</p> <p>(City) (State) (Zip)</p>	<p>2. Date of Event Requiring Statement</p> <p>(Month/Day/Year)</p> <p>12/20/2010</p>	<p>3. Issuer Name and Ticker or Trading Symbol</p> <p>Colony Financial, Inc. [CLNY]</p>	<p>4. Relationship of Reporting Person(s) to Issuer</p> <p>(Check all applicable)</p> <p><input type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input type="checkbox"/> Officer <input type="checkbox"/> Other (give title below) (specify below)</p>	<p>5. If Amendment, Date Original Filed(Month/Day/Year)</p>	<p>6. Individual or Joint/Group Filing(Check Applicable Line)</p> <p><input type="checkbox"/> Form filed by One Reporting Person <input checked="" type="checkbox"/> Form filed by More than One Reporting Person</p>
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Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	637,080	D <u>(1)</u> <u>(7)</u> <u>(8)</u> ^	
Common Stock	409	D <u>(2)</u> <u>(7)</u> <u>(8)</u> ^	
Common Stock	277,722	D <u>(3)</u> <u>(7)</u> <u>(8)</u> ^	
Common Stock	990,290	D <u>(4)</u> <u>(7)</u> <u>(8)</u> ^	
Common Stock	4,227	D <u>(5)</u> <u>(7)</u> <u>(8)</u> ^	
Common Stock	139,303	I	See <u>(6)</u> <u>(7)</u> <u>(8)</u>

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

SEC 1473 (7-02)

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Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Luxor Capital Group, LP 1114 AVENUE OF THE AMERICAS 29TH FLOOR NEW YORK, NY 10036	^	^ X	^	^
LUXOR CAPITAL PARTNERS OFFSHORE LTD C/O M&C CORPORATE SVCS LTD PO BOX 309 GT UGLAND HOUSE GEORGE TOWN, E9 00000	^	^ X	^	^
Luxor Capital Partners, LP 1114 AVENUE OF THE AMERICAS 29TH FLOOR NEW YORK, NY 10036	^	^ X	^	^
LUXOR SPECTRUM LLC 1114 AVENUE OF THE AMERICAS 29TH FLOOR NEW YORK, NY 10036	^	^ X	^	^
Luxor Wavefront, LP 1114 AVENUE OF THE AMERICAS 29TH FLOOR NEW YORK, NY 10036	^	^ X	^	^
LUXOR SPECTRUM OFFSHORE LTD C/O MAPLES CORPORATE SERVICES LTD P.O. BOX 309 GT GEORGE TOWN, E9 KY1-1104	^	^ X	^	^

Signatures

Norris Nissim, as General Counsel of Luxor Management, LLC, General Partner of Luxor Capital Group, LP

12/30/2010

**Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 5(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) Reflects the securities of the issuer owned directly by Luxor Capital Partners, LP (the "Onshore Fund").
- (2) Reflects the securities of the issuer owned directly by Luxor Spectrum, LLC (the "Spectrum Onshore Fund").
- (3) Reflects the securities of the issuer owned directly by Luxor Wavefront, LP (the "Wavefront Fund").
- (4) Reflects the securities of the issuer owned directly by Luxor Capital Partners Offshore Master Fund, LP (the "Offshore Master Fund"). The Offshore Master Fund is a subsidiary of Luxor Capital Partners Offshore, Ltd. (the "Offshore Feeder Fund").
- (5) Reflects the securities of the issuer owned directly by Luxor Spectrum Offshore Master Fund, LP (the "Spectrum Offshore Master Fund"). The Spectrum Offshore Master Fund is a subsidiary of Luxor Spectrum Offshore, Ltd. (the "Spectrum Offshore Feeder Fund").
- (6) Reflects the securities of the issuer held in accounts managed separately (the "Separately Managed Accounts") by Luxor Capital Group, LP ("Luxor Capital Group").

(7) Luxor Capital Group acts as the investment manager of the Onshore Fund, the Spectrum Onshore Fund, the Wavefront Fund, the Offshore Master Fund, the Offshore Feeder Fund, the Spectrum Offshore Master Fund and the Spectrum Offshore Feeder Fund (collectively, the "Luxor Funds") and the Separately Managed Accounts. Luxor Management, LLC ("Luxor Management") is the general partner of Luxor Capital Group. Mr. Leone is the managing member of Luxor Management. LCG Holdings, LLC ("LCG Holdings") is the general partner of the Onshore Fund, the Wavefront Fund, the Offshore Master Fund and the Offshore Spectrum Master Fund and the managing member of the Spectrum Onshore Fund. Mr. Leone is the managing member of LCG Holdings.

(8) Luxor Capital Group, Luxor Management and Mr. Leone may each be deemed to indirectly beneficially own the shares of common stock held by the Luxor Funds and the Separately Managed Accounts. LCG Holdings may be deemed to indirectly beneficially own the shares of common stock held by the Onshore Fund, the Spectrum Onshore Fund, the Wavefront Fund, the Offshore Master Fund and the Offshore Spectrum Master Fund. For purposes of this Form 3, Luxor Capital Group, Luxor Management, LCG Holdings and Mr. Leone each disclaims beneficial ownership of the shares of common stock owned by the Luxor Funds and the Separately Managed Accounts, except to the extent of their or his pecuniary interest therein.

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.