

Colony Financial, Inc.  
Form 4  
February 09, 2011

**FORM 4**

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

OMB APPROVAL

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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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Luxor Capital Group, LP

(Last) (First) (Middle)

1114 AVENUE OF THE AMERICAS, 29TH FLOOR

(Street)

NEW YORK, NY 10036

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
Colony Financial, Inc. [CLNY]

3. Date of Earliest Transaction (Month/Day/Year)  
02/07/2011

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_X\_\_\_ 10% Owner  
\_\_\_ Officer (give title below) \_\_\_ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)  
\_\_\_ Form filed by One Reporting Person  
\_X\_ 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 Indirect Beneficial Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	02/07/2011		P	12,621 A \$ 20.4412	151,924	I	See (1) (3) (4) (5) (6)
Common Stock	02/07/2011		P	339 A \$ 20.414	152,263	I	See (1) (3) (4) (5) (6)
Common Stock	02/07/2011		P	2,166 A \$ 20.4478	154,429	I	See (1) (3) (4) (5) (6)
Common Stock	02/07/2011		P	500 A \$ 20.448	154,929	I	See (1) (3) (4) (5) (6)
Common Stock	02/08/2011		P	50,386 A \$ 20.5814	205,315	I	See (1) (3) (4) (5) (6)

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Common Stock	02/08/2011	P	45,471	A	\$ 20.7946	250,786	I	See <u>(1)</u> <u>(3)</u> <u>(4)</u> <u>(5)</u> <u>(6)</u>
Common Stock	02/08/2011	P	5,018	A	\$ 20.5814	642,098	D	<u>(2)</u> <u>(3)</u> <u>(4)</u> <u>(5)</u> <u>(6)</u>
Common Stock	02/08/2011	P	4,529	A	\$ 20.7946	646,627	D	<u>(2)</u> <u>(3)</u> <u>(4)</u> <u>(5)</u> <u>(6)</u>

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

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**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. Number of Derivative Securities Owned Following Reporting Transaction (Instr. 6)
				Code	V (A) (D)	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 X  
 NEW YORK, NY 10036

Luxor Wavefront, LP  
 1114 AVENUE OF THE AMERICAS X  
 29TH FLOOR  
 NEW YORK, NY 10036

LUXOR SPECTRUM OFFSHORE LTD  
 C/O MAPLES CORPORATE SERVICES LTD X  
 P.O. BOX 309 GT  
 GEORGE TOWN, E9 KY1-1104

## Signatures

Norris Nissim, as General Counsel of Luxor Management, LLC, General Partner of Luxor Capital Group, LP 02/09/2011

\*\*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) Reflects the securities of the issuer held in accounts managed separately (the "Separately Managed Accounts") by Luxor Capital Group, LP ("Luxor Capital Group").

(2) Reflects the securities of the issuer owned directly by Luxor Capital Partners, LP (the "Onshore Fund").

Luxor Capital Group acts as the investment manager of the Onshore Fund, Luxor Spectrum, LLC (the "Spectrum Onshore Fund"), Luxor Wavefront, LP (the "Wavefront Fund"), Luxor Capital Partners Offshore Master Fund, LP (the "Offshore Master Fund"), Luxor Capital Partners Offshore, Ltd. (the "Offshore Feeder Fund"), the Luxor Spectrum Offshore Master Fund, LP (the "Spectrum Offshore Master Fund") and Luxor Spectrum Offshore, Ltd. (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. The Offshore Master Fund is a subsidiary of the Offshore Feeder Fund, and the Spectrum Offshore Master Fund is a subsidiary of the Spectrum Offshore Feeder Fund.

(5) The Spectrum Onshore Fund directly owns 409 shares of common stock, the Wavefront Fund directly owns 277,722 shares, the Offshore Master Fund directly owns 990,290 shares and the Spectrum Offshore Master Fund directly owns 4,227 shares.

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 4, 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.

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