

Colony Financial, Inc.  
Form 4  
November 15, 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 \*  
BARRACK THOMAS JR

(Last) (First) (Middle)

C/O COLONY FINANCIAL, INC., 2450 BROADWAY, 6TH FLOOR

(Street)

SANTA MONICA, CA 90404

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)  
11/11/2011

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Executive Chairman

6. Individual or Joint/Group Filing(Check Applicable Line)

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 Indirect Beneficial Ownership (Instr. 4)			
			Code	V	Amount	(A) or (D)	Price			
Common Stock	11/11/2011		J		5,989	A	\$ 0	75,064	I <sup>(1)</sup>	By Colony Financial Manager, LLC
Common Stock	11/11/2011		J <sup>(2)</sup>		287,500	A	\$ 20	362,564	I	By Colony Financial Manager, LLC
Common Stock	11/11/2011		J <sup>(3)</sup>		287,500	D	\$ 20	75,064	I	By Colony Financial Manager,

Common Stock	11/11/2011	J <sup>(4)</sup>	110,252	A	\$ 20	179,327	I	LLC By Family Trust
Common Stock						5,989	I	By Colony Financial Manager, LLC

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

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(9-02)

**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 Beneficially Owned (Instr. 5)
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## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BARRACK THOMAS JR C/O COLONY FINANCIAL, INC. 2450 BROADWAY, 6TH FLOOR SANTA MONICA, CA 90404	X		Executive Chairman	

## Signatures

/s/ David A. Palame, as  
Attorney-in-fact

11/15/2011

\_\_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).

Colony Financial Manager, LLC (the "Manager") is the direct owner of the 5,989 reported securities. Colony Capital, LLC ("Colony Capital") is the managing member of the Manager, and Thomas J. Barrack, Jr. ("Mr. Barrack") is the sole managing member of Colony Capital. Accordingly, Mr. Barrack may be deemed to beneficially own all of the reported securities. This filing shall not be deemed an admission that Mr. Barrack is the beneficial owner of any securities beneficially owned by the Manager except to the extent of his pecuniary interest therein. The reported securities were acquired by the Manager as payment of an incentive fee pursuant to an amended and restated management agreement, dated as of November 7, 2011, by and among Colony Financial, Inc. (the "Issuer"), Colony Financial TRS, LLC and the Manager (the "Amended and Restated Management Agreement"). Mr. Barrack owns indirectly the remaining 69,075 shares of the Issuer's common stock through a family trust.

(1)

Pursuant to the Amended and Restated Management Agreement, on November 11, 2011, the Manager acquired 287,500 shares of the Issuer's common stock as reimbursement for certain payments made by the Manager on the Issuer's behalf in connection with the Issuer's initial public offering (the "Reimbursement Transaction").

(2)

On November 11, 2011, the Manager distributed in the aggregate such 287,500 shares of the Issuer's common stock to various individuals, including the following officers of the Issuer: Mr. Barrack (through a family trust), Mark M. Hedstrom, Richard B. Saltzman, Ronald M. Sanders, Darren J. Tangen and Kevin P. Traenkle.

(3)

(4) The reported securities were acquired in connection with the Reimbursement Transaction.

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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