

Colony Financial, Inc.
Form SC 13G/A
February 14, 2012

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

SCHEDULE 13G
(RULE 13d - 102)

Information to be included in statements filed pursuant
to Rules 13d-1(b), (c) and (d) and amendments thereto filed
pursuant to 13d-2(b)

(AMENDMENT NO.2)*

Colony Financial, Inc.
(Name of Issuer)

Common Stock, \$.01 par value
(Title of Class of Securities)

19624R106
(CUSIP Number)

December 31, 2011
(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 disclosures provided in a prior cover page.

The information required on 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).

(Continued on the Following Pages)

CUSIP No.19624R106

1. NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Luxor Capital Partners, LP
 2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) ☒
(b) ☐
 3. SEC USE ONLY
 4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware
- NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:
5. SOLE VOTING POWER

0
 6. SHARED VOTING POWER

54,574
 7. SOLE DISPOSITIVE POWER

0
 8. SHARED DISPOSITIVE POWER

54,574
 9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

54,574
 10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* ☐
 11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

0.2%

12.

TYPE OF REPORTING PERSON*

PN

*SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP No.19624R106

1. NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Luxor Wavefront, LP
 2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) ☒
(b) ☐
 3. SEC USE ONLY
 4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware
- NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:
5. SOLE VOTING POWER

0
 6. SHARED VOTING POWER

23,792
 7. SOLE DISPOSITIVE POWER

0
 8. SHARED DISPOSITIVE POWER

23,792
 9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

23,792
 10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* ☐
 11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

0.1%

12.

TYPE OF REPORTING PERSON*

PN

*SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP No.19624R106

1. NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Luxor Capital Partners Offshore Master Fund, LP
 2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) ☒
(b) ☐
 3. SEC USE ONLY
 4. CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands
- NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:
5. SOLE VOTING POWER

0
 6. SHARED VOTING POWER

84,832
 7. SOLE DISPOSITIVE POWER

0
 8. SHARED DISPOSITIVE POWER

84,832
 9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

84,832
 10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* ☐
 11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

0.3%

12.

TYPE OF REPORTING PERSON*

PN

*SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP No.19624R106

1. NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Luxor Capital Partners Offshore, Ltd.
 2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) ☒
(b) ☐
 3. SEC USE ONLY
 4. CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands
- NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:
5. SOLE VOTING POWER

0
 6. SHARED VOTING POWER

84,832
 7. SOLE DISPOSITIVE POWER

0
 8. SHARED DISPOSITIVE POWER

84,832
 9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

84,832
 10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* ☐
 11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

0.3%

12.

TYPE OF REPORTING PERSON*

CO

*SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP No.19624R106

1. NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Luxor Capital Group, LP
 2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) ☒
(b) ☐
 3. SEC USE ONLY
 4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware
- NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:
5. SOLE VOTING POWER

0
 6. SHARED VOTING POWER

175,000
 7. SOLE DISPOSITIVE POWER

0
 8. SHARED DISPOSITIVE POWER

175,000
 9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

175,000
 10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* ☐
 11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

0.5%

12.

TYPE OF REPORTING PERSON*

PN

*SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP No.19624R106

1. NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Luxor Management, LLC
 2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) ☒
(b) ☐
 3. SEC USE ONLY
 4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware
- NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:
5. SOLE VOTING POWER

0
 6. SHARED VOTING POWER

175,000
 7. SOLE DISPOSITIVE POWER

0
 8. SHARED DISPOSITIVE POWER

175,000
 9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

175,000
 10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* ☐
 11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

0.5%

12.

TYPE OF REPORTING PERSON*

OO

*SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP No.19624R106

1. NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

LCG Holdings, LLC
 2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) ☒
(b) ☐
 3. SEC USE ONLY
 4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware
- NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:
5. SOLE VOTING POWER

0
 6. SHARED VOTING POWER

163,198
 7. SOLE DISPOSITIVE POWER

0
 8. SHARED DISPOSITIVE POWER

163,198
 9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

163,198
 10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* ☐
 11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

0.5%

12.

TYPE OF REPORTING PERSON*

OO

*SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP No.19624R106

1. NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Christian Leone
 2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) ☒
(b) ☐
 3. SEC USE ONLY
 4. CITIZENSHIP OR PLACE OF ORGANIZATION

United States
- NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:
5. SOLE VOTING POWER

0
 6. SHARED VOTING POWER

175,000
 7. SOLE DISPOSITIVE POWER

0
 8. SHARED DISPOSITIVE POWER

175,000
 9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

175,000
 10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* ☐
 11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

0.5%

12.

TYPE OF REPORTING PERSON*

IN, HC

*SEE INSTRUCTIONS BEFORE FILLING OUT!

This statement is filed with respect to the shares of common stock (the "Common Stock") of Colony Financial, Inc. (the "Issuer") beneficially owned by the Reporting Persons (as defined below) as of December 31, 2011, and amends and supplements the Schedule 13G originally filed on December 30, 2010, as previously amended (collectively, the "Schedule 13G"). Except as set forth herein, the Schedule 13G is unmodified.

The names of the persons filing this statement on Schedule 13G are (collectively, the "Reporting Persons"):

- Luxor Capital Partners, LP, a Delaware limited partnership (the "Onshore Fund");
- Luxor Wavefront, LP, a Delaware limited partnership (the "Wavefront Fund");
- Luxor Capital Partners Offshore Master Fund, LP, a Cayman Islands limited partnership (the "Offshore Master Fund");
- Luxor Capital Partners Offshore, Ltd., a Cayman Islands exempted company (the "Offshore Feeder Fund");
- Luxor Capital Group, LP, a Delaware limited partnership ("Luxor Capital Group");
- Luxor Management, LLC, a Delaware limited liability company ("Luxor Management");
- LCG Holdings, LLC, a Delaware limited liability company ("LCG Holdings"); and
- Christian Leone, a United States citizen ("Mr. Leone").

Luxor Capital Group acts as the investment manager of the Onshore Fund, the Wavefront Fund, the Offshore Master Fund and the Offshore Feeder Fund (collectively, the "Funds") and to accounts it separately manages (the "Separately Managed Accounts"). The Offshore Master Fund is a subsidiary of the Offshore Feeder Fund. Luxor Management is the general partner of Luxor Capital Group. Mr. Leone is the managing member of Luxor Management. LCG Holdings is the general partner of the Onshore Fund, the Wavefront Fund and the Offshore Master Fund. Mr. Leone is the managing member of LCG Holdings.

Luxor Capital Group, Luxor Management and Mr. Leone may each be deemed to have voting and dispositive power with respect to the shares of Common Stock held by the Funds and the Separately Managed Accounts. LCG Holdings may be deemed to have voting and dispositive power with respect to the shares of Common Stock held by the Onshore Fund, the Wavefront Fund and the Offshore Master Fund.

ITEM 4. OWNERSHIP.

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

(a) Amount beneficially owned:

(i) The Onshore Fund individually beneficially owns 54,574 shares of Common Stock.

(ii) The Wavefront Fund individually beneficially owns 23,792 shares of Common Stock.

(iii) The Offshore Master Fund individually beneficially owns 84,832 shares of Common Stock. The Offshore Feeder Fund, as the owner of a controlling interest in the Offshore Master Fund, may be deemed to beneficially own the shares of Common Stock held by the Offshore Master Fund.

(iv) Luxor Capital Group, as the investment manager of the Funds, may be deemed to beneficially own the 163,198 shares of Common Stock beneficially owned by them, and an additional 11,802 shares of Common Stock held in the Separately Managed Accounts.

(v) Luxor Management and Mr. Leone may each be deemed to be the beneficial owners of the 175,000 shares of Common Stock beneficially owned by Luxor Capital Group.

(vi) LCG Holdings may be deemed to be the beneficial owner of the 163,198 shares of Common Stock owned by the Onshore Fund, the Wavefront Fund and the Offshore Master Fund.

(vii) Mr. Leone may be deemed to be the beneficial owner of the 163,198 shares of Common Stock beneficially owned by LCG Holdings.

(viii) Collectively, the Reporting Persons beneficially own 175,000 shares of Common Stock.

(b)

Percent of Class:

(i) The Onshore Fund's individual beneficial ownership of 54,574 shares of Common Stock represents 0.2% of all of the outstanding shares of Common Stock based on 32,471,700 shares outstanding on November 9, 2011, as reported in the Form 10-Q filed by the Issuer on November 9, 2011 for the period ended September 30, 2011.

(ii) The Wavefront Fund's individual beneficial ownership of 23,792 shares of Common Stock represents 0.1% of all of the outstanding shares of Common Stock.

(iii) Each of the Offshore Master Fund's and the Offshore Feeder Fund's individual beneficial ownership of 84,832 shares of Common Stock represents 0.3% of all of the outstanding shares of Common Stock.

(iv) LCG Holdings' beneficial ownership of the 163,198 shares of Common Stock represents 0.5% of all of the outstanding shares of Common Stock.

(v) Luxor Capital Group's, Luxor Management's and Mr. Leone's beneficial ownership of 175,000 shares of Common Stock represents 0.5% of all of the outstanding shares of Common Stock.

(vi) Collectively, the Reporting Persons' beneficial ownership of 175,000 shares of Common Stock represents 0.5% of all of the outstanding shares of Common Stock.

(c) Number of shares as to which such person has:

(i) Sole power to vote or to direct the vote of Common Stock:

Not applicable.

(ii) Shared power to vote or to direct the vote of Common Stock:

The Onshore Fund, Luxor Capital Group, LCG Holdings, Luxor Management and Mr. Leone have shared power to vote or direct the vote of the 54,574 shares of Common Stock individually beneficially owned by the Onshore Fund.

The Wavefront Fund, Luxor Capital Group, LCG Holdings, Luxor Management and Mr. Leone have shared power to vote or direct the vote of the 23,792 shares of Common Stock individually beneficially owned by the Wavefront Fund.

The Offshore Master Fund, the Offshore Feeder Fund, Luxor Capital Group, LCG Holdings, Luxor Management and Mr. Leone have shared power to vote or direct the vote of the 84,832 shares of Common Stock individually beneficially owned by the Offshore Master Fund.

Luxor Capital Group, Luxor Management and Mr. Leone have shared power to vote or direct the vote of the 11,802 shares of Common Stock held in the Separately Managed Accounts.

(iii) Sole power to dispose or to direct the disposition of Common Stock:

Not applicable.

(iv) Shared power to dispose or to direct the disposition of Common Stock:

The Onshore Fund, Luxor Capital Group, LCG Holdings, Luxor Management and Mr. Leone have shared power to dispose or direct the disposition of the 54,574 shares of Common Stock individually beneficially owned by the Onshore Fund.

The Wavefront Fund, Luxor Capital Group, LCG Holdings, Luxor Management and Mr. Leone have shared power to dispose or direct the disposition of the 23,792 shares of Common Stock individually beneficially owned by the Wavefront Fund.

The Offshore Master Fund, the Offshore Feeder Fund, Luxor Capital Group, LCG Holdings, Luxor Management and Mr. Leone have shared power to dispose or direct the disposition of the 84,832 shares of Common Stock individually beneficially owned by the Offshore Master Fund.

Luxor Capital Group, Luxor Management and Mr. Leone have shared power to dispose or direct the disposition of the 11,802 shares of Common Stock held in the Separately Managed Accounts.

ITEM 5. OWNERSHIP OF FIVE PERCENT OR LESS OF A CLASS.

If this statement is being filed to report the fact that as of the date hereof the Reporting Persons have ceased to be the beneficial owner of more than five percent of the class of securities, check the following [X].

ITEM 10. CERTIFICATION.

By signing below the undersigned certifies that, to the best of its or his 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 its knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete, and correct.

Dated: February 14, 2012

LUXOR CAPITAL PARTNERS, LP

By: LCG Holdings, LLC, as General Partner

By: /s/ Norris Nissim

Norris Nissim,
General Counsel

LUXOR WAVEFRONT, LP

By: LCG Holdings, LLC, as General Partner

By: /s/ Norris Nissim

Norris Nissim,
General Counsel

LUXOR CAPITAL PARTNERS OFFSHORE MASTER FUND, LP

By: LCG Holdings, LLC, as General Partner

By: /s/ Norris Nissim

Norris Nissim,
General Counsel

LUXOR CAPITAL PARTNERS OFFSHORE, LTD.

By: Luxor Capital Group, LP, as investment manager

By: /s/ Norris Nissim

Norris Nissim,
General Counsel

LUXOR CAPITAL GROUP, LP

By: Luxor Management, LLC, as General Partner

By: /s/ Norris Nissim

Norris Nissim,

General Counsel

LCG HOLDINGS, LLC

By: /s/ Norris Nissim
Norris Nissim,
General Counsel

LUXOR MANAGEMENT, LLC

By: /s/ Norris Nissim
Norris Nissim,
General Counsel

/s/ Elena Cimador
Elena Cimador, as Attorney-in-Fact
For Christian Leone

EXHIBIT C
POWER OF ATTORNEY

The undersigned hereby makes, constitutes and appoints each of Adam Miller and Elena Cimador as the undersigned's true and lawful authorized representative, attorney-in-fact and agent, each with the power individually to execute for and on behalf of the undersigned and to file with and deliver to the United States Securities and Exchange Commission and any other authority or party required or entitled to receive the same: (a) any Forms 3, 4 and 5, and any amendments thereto, in accordance with Section 16(a) of the Securities Exchange Act of 1934, as amended (the "1934 Act"), and the rules promulgated thereunder; and (b) any Schedule 13D or Schedule 13G, and any amendments thereto, on behalf of the undersigned in accordance with Section 13 of the 1934 Act and the rules promulgated thereunder.

The undersigned also hereby grants to each such attorney-in-fact the full power and authority to do and perform all and every act and thing whatsoever requisite, necessary and proper to be done in the exercise of any of the rights and powers herein granted, hereby ratifying and confirming all that such attorney-in-fact shall lawfully do or cause to be done by virtue of this power of attorney and the rights and powers herein granted. The undersigned acknowledges that each of the foregoing attorneys-in-fact, in serving in such capacity at the request of the undersigned, is not assuming any of the undersigned's responsibilities to comply with Section 16 or Section 13 or any other provision of the 1934 Act or the rules promulgated thereunder.

This Power of Attorney shall remain in full force and effect until earlier revoked by the undersigned in a signed writing delivered to the foregoing attorneys-in-fact.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of January 20, 2006.

/s/ Christian Leone
Christian Leone

ACKNOWLEDGEMENT IN NEW YORK STATE

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

On January 20, 2006, before me, the undersigned personally appeared, Christian Leone, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

/s/ Michael J. Sadler

J. Sadler

Public

[Notary Stamp and Seal]