

# KKR FINANCIAL CORP

## FORM 3

(Initial Statement of Beneficial Ownership)

Filed 6/23/2005 For Period Ending 6/23/2005

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# FORM 3

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

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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

1. Name and Address of Reporting Person * <b>NUTTALL SCOTT C</b>			2. Date of Event Requiring Statement (MM/DD/YYYY) <b>6/23/2005</b>		3. Issuer Name <b>and</b> Ticker or Trading Symbol <b>KKR Financial Corp [KFN]</b>		
(Last) (First) (Middle) <b>C/O KKR FINANCIAL CORP., FOUR EMBARCADERO CENTER, SUITE 2050</b>			4. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below)				
(Street) <b>SAN FRANCISCO, CA 94111</b>			5. If Amendment, Date Original Filed (MM/DD/YYYY)		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person		
(City) (State) (Zip)							

**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)
<b>Common Stock</b>	<b>47794</b>	<b>I</b>	<b>By KKR KFC Investments LLC</b>
<b>Restricted Stock</b>	<b>1170000 (1)</b>	<b>I</b>	<b>See Note (2)</b>
<b>Restricted Stock</b>	<b>23867 (3)</b>	<b>I</b>	<b>See Note (2)</b>

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

1. Title of Derivate Security (Instr. 4)	2. Date Exercisable and Expiration Date (MM/DD/YYYY)		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			
<b>Option (Right to Buy)</b>	<b>(4)</b>	<b>8/12/2014</b>	<b>Common Stock</b>	<b>1950000</b>	<b>\$20.00</b>	<b>I</b>	<b>See Note (2)</b>
<b>Option (Right to Buy)</b>	<b>(5)</b>	<b>8/19/2014</b>	<b>Common Stock</b>	<b>39779</b>	<b>\$20.00</b>	<b>I</b>	<b>See Note (2)</b>

Explanation of Responses:

- (1) The restricted stock vests in one-third increments on August 12, 2005, August 12, 2006 and August 12, 2007.
- (2) See reporting person information attached as Exhibit 99.1.
- (3) The restricted stock vests in one-third increments on August 19, 2005, August 19, 2006 and August 19, 2007.
- (4) The option vests in one-third increments on August 12, 2005, August 12, 2006 and August 12, 2007.
- (5) The option vests in one-third increments on August 19, 2005, August 19, 2006 and August 19, 2007.

**Reporting Owners**

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
<b>NUTTALL SCOTT C C/O KKR FINANCIAL CORP. FOUR EMBARCADERO CENTER, SUITE 2050 SAN FRANCISCO, CA 94111</b>	<b>X</b>			

**Signatures**

**Scott C. Nuttall**

**6/23/2005**

\*\* Signature of Reporting Person

Date

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

\* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Reporting Person Information

Name:

**Scott C. Nuttall**

**Address:**

c/o KKR Financial Corp.  
Four Embarcadero Center, Suite 2050  
San Francisco, CA 94111

Issuer & Ticker Symbol: KKR Financial Corp. [KFN]

Date of Event Requiring Statement: 6/23/2005

The interests in stock of Issuer reported on this Form 3 are held by KKR Financial LLC. Kohlberg Kravis Roberts & Co. L.P. may be deemed to be the beneficial owner of such interests in stock of Issuer held by KKR Financial LLC. As the general partner of Kohlberg Kravis Roberts & Co. L.P., KKR & Co. L.P. may be deemed to be the beneficial owner of such interests in stock of Issuer held by KKR Financial LLC.

The partners of KKR & Co. L.P. are Messrs. Henry R. Kravis, George R. Roberts, Michael M. Calbert, Todd A. Fisher, Jacques Garaialde, Edward A. Gilhuly, Perry Golkin, Reinhard Gorenflos, James H. Greene, Jr., Johannes P. Huth, Marc S. Lipschultz, Michael W. Michelson, Alexander Navab, Paul E. Raether, Scott M. Stuart and the Reporting Person. Each of these individuals may be deemed to share beneficial ownership of any of the interests in stock of Issuer that KKR & Co. L.P. may be deemed to beneficially own. However, the Reporting Person disclaims that he is the beneficial owner of such interests in stock of Issuer, except to the extent of his pecuniary interest in such interests in stock of Issuer.

The filing of this statement shall not be deemed an admission that, for purposes of Section 16 of the Securities Exchange Act of 1934 or otherwise, the Reporting Person is the beneficial owner of all such interests in stock of Issuer covered by this statement.

**End of Filing**

