

Flagstone Reinsurance Holdings Ltd

Form 4

January 16, 2008

**FORM 4****UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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

## OMB APPROVAL

OMB  
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response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**BROWN DAVID A**

(Last) (First) (Middle)

**FLAGSTONE REINSURANCE  
HOLDINGS  
LIMITED, CRAWFORD HOUSE,  
23 CHURCH STREET**

(Street)

**HAMILTON, D0 HM 11**

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading  
Symbol  
**Flagstone Reinsurance Holdings Ltd  
[FSR]**

3. Date of Earliest Transaction  
(Month/Day/Year)  
**01/14/2008**

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)

Chief Executive Officer

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<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3. Transaction<br>Code<br>(Instr. 8) | 4. Securities<br>Acquired (A) or<br>Disposed of (D)<br>(Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form: Direct<br>(D) or Indirect<br>(I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|---------------------------------------|---|---|--------------------------------------|--|--|--|---|
|                                       |   |   | Code                                 | V  | Amount   | (D)  | Price   |

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

**Persons who respond to the collection of  
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SEC 1474  
(9-02)

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

## Edgar Filing: Flagstone Reinsurance Holdings Ltd - Form 4

| 1. Title of<br>Derivative<br>Security<br>(Instr. 3) | 2. Conversion<br>or Exercise<br>Price of<br>Derivative<br>Security | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 4. Transaction<br>Code<br>(Instr. 8) | 5. Number of<br>Derivative<br>Securities<br>Acquired (A) or<br>Disposed of (D)<br>(Instr. 3, 4, and<br>5) | 6. Date Exercisable and Expiration<br>Date<br>(Month/Day/Year) | 7. Title and<br>Underlying<br>(Instr. 3 and |
|---|--|---|---|--------------------------------------|---|--|---|
|   |  |   |   | Code V (A) (D)                       |   | Date Exercisable Expiration Date                               | Title                                       |
| Performance<br>Share Units                          | \$ 0 <sup>(1)</sup>  | 01/14/2008                              |   | A                                    | 189,000   | 12/31/2010 <sup>(2)</sup> 03/31/2011 <sup>(3)</sup>            | Common<br>Shares                            |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |                               |       |
|---|---------------|-----------|-------------------------------|-------|
|   | Director      | 10% Owner | Officer                       | Other |
| BROWN DAVID A<br>FLAGSTONE REINSURANCE HOLDINGS LIMITED<br>CRAWFORD HOUSE, 23 CHURCH STREET<br>HAMILTON, D0 HM 11 | X             | X         | Chief<br>Executive<br>Officer |       |

## Signatures

/s/ Todd White on behalf of David A. Brown pursuant to Power of Attorney

01/15/2008

                     \*\*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).

- Vesting of Performance Share Units ("PSUs") is contingent upon the reporting person's continued employment with the issuer and the issuer meeting certain fully diluted return-on-equity ("FDROE") goals. Upon vesting, the PSU holder shall be entitled to receive a number
- (1) of common shares of the issuer (or the cash equivalent, at the election of the issuer) equal to the product of the number of PSUs granted multiplied by a factor based on the issuer's FDROE during the vesting period. The factor will range between zero and two, depending on the FDROE achieved during the vesting period.
  - (2) These PSUs would vest, subject to the contingency described in note 1 above and the other terms and conditions of the issuer's PSU Plan, on the date shown.
  - (3) Assumes the issuer will settle these PSUs within three months of the vesting date.
  - (4) Represents the mid-point of the vesting range described in note 1 above for these PSUs

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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