

NewStar Financial, Inc.
 Form 4
 June 13, 2008

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 *
 Union Square Partners GP, Ltd.

2. Issuer Name and Ticker or Trading Symbol
 NewStar Financial, Inc. [NEWS]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 230 PARK AVENUE
 SOUTH, 11TH FLOOR
 (Street)

3. Date of Earliest Transaction
 (Month/Day/Year)
 06/11/2008

____ Director
 ____ 10% Owner
 ____ Officer (give title below) ____ Other (specify below)
 See Remarks Section

NEW YORK, NY 10003
 (City) (State) (Zip)

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

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 Ownership (Instr. 4) |
|--|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) Code V Amount (D) Price | | | |
| Common Stock, \$0.01 par value per share | | | | | 4,000,000 | I (1) | __ (1) |
| Common Stock, \$0.01 par value per share | 06/11/2008 | | J(3) | 5,000 A (5) | 5,514,798 | I (2) | __ (2) |

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. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Stock Option (Right to Buy) | \$ 6.4 | 06/11/2008 | | J ⁽³⁾ | 5,000 | ⁽⁴⁾ 05/14/2015 | Common Stock | 5,000 |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Union Square Partners GP, Ltd.
230 PARK AVENUE SOUTH
11TH FLOOR
NEW YORK, NY 10003

See Remarks Section

Union Square Partners, L.P.
230 PARK AVENUE SOUTH
11TH FLOOR
NEW YORK, NY 10003

See Remarks Section

Union Square Partners GP, L.P.
230 PARK AVENUE SOUTH
11TH FLOOR
NEW YORK, NY 10003

See Remarks Section

CAPITAL Z FINANCIAL SERVICES PRIVATE FUND II,
L.P.
230 PARK AVENUE SOUTH
11TH FLOOR
NEW YORK, NY 10003

See Remarks Section

CAPITAL Z PARTNERS LP
230 PARK AVENUE SOUTH
11TH FLOOR
NEW YORK, NY 10003

See Remarks Section

CAPITAL Z PARTNERS LTD
230 PARK AVENUE SOUTH
11TH FLOOR
NEW YORK, NY 10003

See Remarks Section

CAPITAL Z FINANCIAL SERVICES FUND II LP
230 PARK AVENUE SOUTH
11TH FLOOR
NEW YORK, NY 10003

See Remarks Section

Capital Z Management, LLC
230 PARK AVENUE SOUTH
11TH FLOOR
NEW YORK, NY 10003

See Remarks Section

Signatures

/s/ Craig Fisher, Authorized Signatory for Union Square Partners
GP, Ltd.

06/13/2008

__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).
- (1) Due to the limitation on the amount of characters used, please see Footnote 1 in Exhibit 99.2 - Footnotes.
 - (2) Due to the limitation on the amount of characters used, please see Footnote 2 in Exhibit 99.2 - Footnotes.
 - (3) Due to the limitation on the amount of characters used, please see Footnote 3 in Exhibit 99.2 - Footnotes.
 - (4) Due to the limitation on the amount of characters used, please see Footnote 4 in Exhibit 99.2 - Footnotes.
 - (5) Due to the limitation on the amount of characters used, please see Footnote 5 in Exhibit 99.2 - Footnotes.

Remarks:

See Exhibit 99.1 Joint Filer Information. Union Square Partners GP, Ltd., Union Square Partners GP, L.P. and Union Square Partners, L.P. may be deemed to be part of a "group" along with Capital Z Financial Services Fund II L.P., Capital Z Financial Services Private Fund II, L.P., and Capital Z Management, LLC (within the meaning of Rule 13d-5(b) under the Securities Exchange Act of 1934, as amended).

Also, see Exhibit 99.2 Explanation of Responses.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.