**BROWN DAVID A** 

Form 4

November 30, 2012

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Check this box

if no longer

subject to

Section 16.

Form 4 or

obligations

Form 5

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

**OMB APPROVAL** OMB

Number:

3235-0287

Expires:

January 31, 2005

0.5

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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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

**SECURITIES** 

1(b).

(Print or Type Responses)

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

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

below)

Flagstone Reinsurance Holdings,

(Check all applicable)

S.A. [FSR]

11/30/2012

(Middle)

(Zip)

(Last) (First) 3. Date of Earliest Transaction (Month/Day/Year)

\_X\_\_ Director X\_ Officer (give title

10% Owner Other (specify

FLAGSTONE REINSURANCE HOLDINGS, S.A., 65 AVENUE DE LA GARE

(Street)

(State)

11/30/2012

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

6. Individual or Joint/Group Filing(Check

Chief Executive Officer

Applicable Line)

\_X\_ Form filed by One Reporting Person Form filed by More than One Reporting

Ι

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

0

(1)

LUXEMBOURG, N4 L-1611

(City)

Shares

1.Title of 2. Transaction Date 2A. Deemed 3. 4. Securities Acquired 5. Amount of 6. Ownership 7. Nature of Transaction(A) or Disposed of (D) Form: Direct Indirect Security (Month/Day/Year) Execution Date, if Securities (Instr. 3) Code (Instr. 3, 4 and 5) Beneficially (D) or Beneficial (Month/Day/Year) (Instr. 8) Owned Indirect (I) Ownership Following (Instr. 4) (Instr. 4) Reported (A) Transaction(s) (Instr. 3 and 4) Code V (D) Price Amount Common 11/30/2012 0 D D 11,200 D (1) Shares Common By Leyton

943,270 D

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

D

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Limited (2)

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# 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. Transactio Code (Instr. 8)	Secur Acqu Dispo		6. Date Exerc Expiration D (Month/Day/	ate	7. Title and A Underlying S (Instr. 3 and	Securities
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount of Number of Shares
Performance Share Units	\$ 0 (3)	11/30/2012		D		481,400	<u>(4)</u>	(5)	Common Shares	481,400

# **Reporting Owners**

Reporting Owner Name / Address

Director 10% Owner Officer Other

BROWN DAVID A FLAGSTONE REINSURANCE HOLDINGS, S.A. 65 AVENUE DE LA GARE LUXEMBOURG, N4 L-1611

X Chief Executive Officer

## **Signatures**

/s/ William F. Fawcett, by power of attorney 11/30/2012

\*\*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).
- Disposed of pursuant to the Agreement and Plan of Merger, dated as of August 30, 2012, by and among the Company, Flagstone Reinsurance Holdings (Bermuda) Limited, Validus Holdings, Ltd. ("Validus") and Validus UPS, Ltd. (the "Merger Agreement"), pursuant to which each common share was converted into the right to receive a cash payment of \$2.00 and 0.1935 common shares of Validus (as of November 29, 2012, the closing price of common shares of Validus was \$34.87 per share).
- (2) These common shares are held by Leyton Limited, a company owned by a trust for which the Reporting Person serves as settler, and the Reporting Person disclaims beneficial ownership of these shares.
- Each Performance Share Unit ("PSU") represents the right to receive, without payment to the Company, a number of common shares of the Company (or the cash equivalent, at the election of the Company) equal to the product of the number of PSUs granted multiplied by a factor based on the Company's fully-diluted return on equity during the vesting period, subject to the terms and conditions of the PSU Plan and grant certificate evidencing each grant.
  - Pursuant to the Merger Agreement, the PSUs were converted into the right to receive, for each PSU (based on attainment of all applicable performance goals at the maximum level for payout), (A) a cash payment of \$2.00 plus the amount of cumulative dividends declared by
- (4) the Company with respect to the common shares underlying such PSUs through the date on which the mergers contemplated by the Merger Agreement were consummated and (B) 0.1935 common shares of Validus (as of November 29, 2012, the closing price of common shares of Validus was \$34.87 per share).
- (5) The PSUs had no expiry date.

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

Reporting Owners 2

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