

BROWN DAVID A
Form 4
November 30, 2012

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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(Print or Type Responses)

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

(Last) (First) (Middle)

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

(Street)

LUXEMBOURG, N4 L-1611

(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
11/30/2012

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 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)
			Code	V	Amount	(A) or (D)	Price
Common Shares	11/30/2012		D		11,200	D	0
Common Shares	11/30/2012		D		943,270	D	0

By Leyton
Limited (2)

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

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SEC 1474
(9-02)

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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. 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)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Performance Share Units	\$ 0 ⁽³⁾	11/30/2012		D		481,400		⁽⁴⁾	⁽⁵⁾	Common Shares	481,400

Reporting Owners

Reporting Owner Name / Address	Relationships			
	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

**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) 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.
- (3) 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.
- (4) 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 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.

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