

FAWCETT WILLIAM F  
Form 4  
November 30, 2012

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
FAWCETT WILLIAM F

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

5. Relationship of Reporting Person(s) to Issuer  
  
(Check all applicable)

(Last) (First) (Middle)  
FLAGSTONE REINSURANCE HOLDINGS, S.A., 65 AVENUE DE LA GARE

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

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
General Counsel

(Street)  
LUXEMBOURG, N4 L-1611

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
\_\_\_\_ Form filed by More than One Reporting Person

(City) (State) (Zip)

**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)	Amount (D) Price		
Common Shares	11/30/2012		D	37,392 D	0	D	

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

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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)**

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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)			
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
				Code	V	(A)	(D)			
Performance Share Units	\$ 0 <sup>(2)</sup>	11/30/2012		D		70,750	<u>(3)</u>	<u>(4)</u>	Common Shares	70,750

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FAWCETT WILLIAM F FLAGSTONE REINSURANCE HOLDINGS, S.A. 65 AVENUE DE LA GARE LUXEMBOURG, N4 L-1611			General Counsel	

## Signatures

/s/ William F.  
Fawcett

11/30/2012

<sup>\*\*</sup>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) 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.

(3) 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).

(4) 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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