

BYRNE MARK JAMES

Form 4

December 10, 2010

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

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(Print or Type Responses)

1. Name and Address of Reporting Person *
BYRNE MARK JAMES

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)
**48 PAR LA VILLE ROAD, SUITE
504**

3. Date of Earliest Transaction
(Month/Day/Year)
12/08/2010

____ Director ____ 10% Owner
____ Officer (give title ____X____ Other (specify
below) below)
Former Director and 10% Owner

(Street)

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

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

HAMILTON, D0 HM 11

(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 Indirect Beneficial Ownership (Instr. 4)
Common Shares	12/08/2010		S ⁽¹⁾	2,849,868 D	\$ 11.4823 0	I	By Haverford (Bermuda) Ltd. ⁽²⁾
Common Shares	12/08/2010		S ⁽¹⁾	5,155,156 D	\$ 11.4823 0	I	By Limestone Business Limited ⁽³⁾
Common Shares					50,000	I	By Rebecca Byrne ⁽⁴⁾

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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 Underlying Securities (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
Warrant	\$ 14.8	12/08/2010		S ⁽¹⁾		7,955,553		12/01/2013	12/31/2013	Common Shares	7,955,553

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

BYRNE MARK JAMES
48 PAR LA VILLE ROAD
SUITE 504
HAMILTON, D0 HM 11

Former Director and 10% Owner

Signatures

/s/Mark J. Byrne 12/10/2010

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) On December 8, 2010, Flagstone (Bermuda) Holdings, Limited entered into an agreement to purchase: (i) 8,005,024 shares of Flagstone Reinsurance Holdings, S.A. (the "Issuer") from Haverford (Bermuda) Ltd. ("Haverford") and Limestone Business Limited ("Limestone") and (ii) the Amended and Restated Share Purchase Warrant dated as of June 25, 2010 (the "Haverford Warrant"), issued to Haverford and exercisable for 7,955,553 shares, par value \$0.01 per share, of the Issuer.

(2) The reporting person is the Chairman and Chief Executive Officer of Haverford, and therefore has investment and voting control over the 2,849,868 common shares of the Issuer held by Haverford and the Haverford Warrant.

(3) These common shares are held by Limestone, which is owned by a trust, established for the benefit of others, for which the reporting person is the settlor. The reporting person disclaims beneficial ownership of these shares.

(4)

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These common shares represent shares purchased in connection with the initial public offering of the Issuer and are owned by Rebecca Byrne, the wife of the reporting person. The reporting person disclaims beneficial ownership of these shares.

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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