

BROWN DAVID A

Form 4

March 11, 2011

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 SA, 37, RUE ST
ANDRE**

(Street)

LUXEMBOURG, N4 L-1128

(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)
03/10/2011

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)
Common Shares	03/10/2011		M	410,689	A	11,200	By Leyton Limited ⁽²⁾
Common Shares						11,200	D

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

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information contained in this form are not
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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 Underlying Security (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title
Performance Share Units	\$ 0 ⁽¹⁾	03/10/2011		M	273,793	01/01/2011 ⁽³⁾ 04/01/2011 ⁽³⁾	Common Shares

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
BROWN DAVID A FLAGSTONE REINSURANCE HOLDINGS SA 37, RUE ST ANDRE LUXEMBOURG, N4 L-1128	X Chief Executive Officer

Signatures

/s/ William F. Fawcett, by power of attorney
03/10/2011
Date

**Signature of Reporting Person

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).
- Vesting of Performance Share Units ("PSUs") is contingent on the reporting person's continued employment with Flagstone Reinsurance Holdings SA (the "Company") and the Company meeting certain fully diluted return-on-equity ("FDROE") goals. Upon vesting, the PSU holder is entitled to receive 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 FDROE during the vesting period. The factor ranges between 0.5 and 1.5, depending on the FDROE achieved during the vesting period.
- (1) 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.
 - (2) The PSUs vested on January 1, 2011; however, settlement of any shares took place following the calculation of the factor described in footnote (1). The factor used to determine the number of common shares awarded was determined following the filing of the Company's annual report on Form 10-K on March 2, 2011. The expiration date assumes that the Company would settle these PSUs within three months of the vesting date.
 - (3) Based on the FDROE achieved during the relevant period, the number of common shares awarded was determined by multiplying the number of PSUs by a factor of 1.5.
 - (4)

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.