

Flagstone Reinsurance Holdings Ltd  
Form 3  
March 29, 2007

# FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

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## INITIAL STATEMENT OF 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 \*

Â BROWN DAVID ALAN  
(Last) (First) (Middle)

FLAGSTONE REINSURANCE  
HOLDINGS LIMITED,Â 23  
CHURCH STREET

(Street)

HAMILTON, D0,Â HM 11

(City) (State) (Zip)

2. Date of Event Requiring  
Statement

(Month/Day/Year)  
03/29/2007

3. Issuer Name **and** Ticker or Trading Symbol  
Flagstone Reinsurance Holdings Ltd [FSR]

4. Relationship of Reporting  
Person(s) to Issuer

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

(Check all applicable)

☐ Director ☒ 10% Owner  
☒ Officer ☐ Other  
(give title below) (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 Beneficially Owned

1. Title of Security  
(Instr. 4)

2. Amount of Securities  
Beneficially Owned  
(Instr. 4)

3. Ownership  
Form:  
Direct (D)  
or Indirect  
(I)  
(Instr. 5)

4. Nature of Indirect Beneficial  
Ownership  
(Instr. 5)

Common Shares

260,000

I

See Footnote <sup>(1)</sup>

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

SEC 1473 (7-02)

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information contained in this form are not  
required to respond unless the form displays a  
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### Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative  
Security  
(Instr. 4)

2. Date Exercisable and Expiration  
Date  
(Month/Day/Year)

3. Title and Amount of  
Securities Underlying  
Derivative Security  
(Instr. 4)

4. Conversion  
or Exercise  
Price of  
Derivative

5. Ownership  
Form of  
Derivative  
Security:

6. Nature of  
Indirect Beneficial  
Ownership  
(Instr. 5)

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|                         | Date Exercisable          | Expiration Date           | Title         | Amount or Number of Shares | Security            | Direct (D) or Indirect (I) (Instr. 5) |                  |
|-------------------------|---------------------------|---------------------------|---------------|----------------------------|---------------------|---------------------------------------|------------------|
| Warrant                 | 12/01/2010                | 12/31/2010                | Common Shares | 223,229                    | \$ 14               | I                                     | See Footnote (2) |
| Performance Share Units | 12/31/2008 <sup>(3)</sup> | 03/31/2009 <sup>(4)</sup> | Common Shares | 240,000 <sup>(5)</sup>     | \$ 0 <sup>(6)</sup> | D                                     | Â                |
| Performance Share Units | 12/31/2009 <sup>(3)</sup> | 03/31/2010 <sup>(4)</sup> | Common Shares | 200,000 <sup>(5)</sup>     | \$ 0 <sup>(6)</sup> | D                                     | Â                |

## Reporting Owners

| Reporting Owner Name / Address                                                                         | Relationships |           |                           |       |
|--------------------------------------------------------------------------------------------------------|---------------|-----------|---------------------------|-------|
|                                                                                                        | Director      | 10% Owner | Officer                   | Other |
| BROWN DAVID ALAN<br>FLAGSTONE REINSURANCE HOLDINGS LIMITED<br>23 CHURCH STREET<br>HAMILTON, D0,Â HM 11 | Â X           | Â X       | Â Chief Executive Officer | Â     |

## Signatures

/s/ David A. Brown                      03/29/2007

                                          Date  
\*\*Signature of Reporting Person

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 5(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) These shares represent the indirect proportionate interest of the reporting person in 10,000,000 common shares of the issuer held of record by Haverford (Bermuda) Limited, based upon the proportionate contribution of the reporting person to the capital of Haverford (Bermuda) Limited. The reporting person may be deemed to have investment or voting control over Haverford (Bermuda) Limited. These shares are held through a trust for the benefit of others and the reporting person therefore disclaims beneficial ownership of these shares.
- (2) These shares represent the indirect proportionate interest of the reporting person in a warrant, to be exercisable for 8,585,747 common shares, held of record by Haverford (Bermuda) Limited, based upon the proportionate contribution of the reporting person to the capital of Haverford (Bermuda) Limited. The reporting person may be deemed to have investment or voting control over Haverford (Bermuda) Limited. The warrant is held through a trust for the benefit of others and the reporting person therefore disclaims beneficial ownership of the warrant.
- (3) These Performance Share Units ("PSUs") would vest, subject to the contingency described in note 6 below and the other terms and conditions of the issuer's PSU Plan, on the date shown.
- (4) Assumes the issuer will settle these PSUs within three months of the vesting date.
- (5) Represents the mid-point of the vesting range described in note 6 below for these PSUs.
- (6) Vesting of PSUs is contingent upon the issuer meeting certain fully diluted return-on-equity ("FDROE") goals. Upon vesting, the PSU holder shall be entitled to receive a number of common shares of the issuer (or the cash equivalent, at the election of the issuer) equal to the product of the number of PSUs granted multiplied by a factor based on the issuer's FDROE during the vesting period. The factor will range between zero and two, depending on the FDROE achieved during the vesting period.

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.