

CAPITAL Z PARTNERS LTD
Form 4
October 01, 2010

FORM 4

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

OMB APPROVAL

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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 *
Capital Z Partners III GP, Ltd.

2. Issuer Name and Ticker or Trading Symbol
NewStar Financial, Inc. [NEWS]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
230 PARK AVENUE, 11TH FLOOR

3. Date of Earliest Transaction (Month/Day/Year)
09/29/2010

____ Director
____ Officer (give title below) Other (specify below)

See Remarks Section

(Street)

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

NEW YORK, NY 10003

(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) Code V Amount (D) Price			
Common Stock, \$0.01 par value					4,000,000	I ⁽¹⁾	See Footnote ⁽¹⁾
Common Stock, \$0.01 par value	09/29/2010		J ⁽³⁾	5,000 A \$ 0	5,524,798	I ^{(2) (3)}	See Footnotes ^{(2) (3)}

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)	8. Title and Amount of Underlying Securities (Instr. 3 and 4)
Stock Option (Right to Buy)	\$ 8.28	05/12/2010		J ⁽³⁾	5,000	⁽⁴⁾ 05/12/2017	Common Stock	5,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Capital Z Partners III GP, Ltd. 230 PARK AVENUE 11TH FLOOR NEW YORK, NY 10003				See Remarks Section
Capital Z Partners III, L.P. 230 PARK AVENUE SOUTH 11TH FLOOR NEW YORK, NY 10003				See Remarks Section
Capital Z Partners III GP, L.P. 230 PARK AVENUE SOUTH 11TH FLOOR NEW YORK, NY 10003				See Remarks Section
CAPITAL Z FINANCIAL SERVICES PRIVATE FUND II, L.P. 54 THOMPSON ST. NEW YORK, NY 10012				See Remarks Section
CAPITAL Z FINANCIAL SERVICES FUND II LP ONE CHASE MANHATTAN PLAZA NEW YORK, NY 10005				See Remarks Section

CAPITAL Z PARTNERS LP
 ONE CHASE MANHATTAN PLAZA
 NEW YORK, NY 10005

See Remarks Section

CAPITAL Z PARTNERS LTD
 ONE CHASE MANHATTAN PLAZA
 NEW YORK, NY 10005

See Remarks Section

Capital Z Partners Management, LLC
 230 PARK AVENUE
 11TH FLOOR
 NEW YORK, NY 10003

See Remarks Section

Signatures

/s/ Craig Fisher, Authorized Signatory for Capital Z Partners III GP,
 Ltd.

09/30/2010

__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) Directly owned by Capital Z Partners III, L.P. ("Capital Z III"). Capital Z Partners III GP, L.P. ("Capital Z III LP") is the general partner of Capital Z III. Capital Z Partners III GP, Ltd. ("Capital Z III GP") is the general partner of Capital Z III LP and the ultimate general partner of Capital Z III. Capital Z Partners Management, LLC ("Cap Z Management") is the investment authority for Capital Z III, and its principal business is performing investment management services for Capital Z III. Cap Z Management, Capital Z III Ltd., Capital Z III GP LP and Capital Z III may be deemed to be part of a "group" (within the meaning of Rule 13d-5(b) under the Securities Exchange of 1934, as amended and incorporated by reference in Rule 16a-1 of the Exchange Act) but each individual entity described above disclaims beneficial ownership of securities held by any other entity except to the extent of any indirect pecuniary interest therein (within the meaning of Rule 16a-1 of the Exchange Act)

(2) Represents securities of the Issuer held directly by Capital Z Financial Services Fund II, L.P. ("Capital Z"), Capital Z Financial Services Private Fund II, L.P. ("Capital Z Private Fund") and Cap Z Management. The sole general partner of Capital Z and Capital Z Private Fund is Capital Z Partners, L.P. ("Capital Z LP"), the sole general partner of Capital Z LP is Capital Z Partners, Ltd. ("Capital Z Ltd"). The principal business of Cap Z Management is performing investment management services for Capital Z and Capital Z Private Fund. By reason of the provisions of Rule 16a-1 of the Securities Exchange Act of 1934 (the "Exchange Act"), Capital Z LP, Capital Z Ltd and Cap Z Management may be deemed to be the beneficial owners of the securities held by Capital Z, Capital Z Private Fund and with respect to Capital Z LP and Capital Z Ltd, also held by Cap Z Management although Capital Z LP, Capital Z Ltd and Cap Z Management disclaim beneficial ownership of such securities, except with re

(3) Bradley E. Cooper is a shareholder of Capital Z Ltd and an officer and co-owner of Cap Z Management. Mr. Cooper is also a director of the Issuer. Mr. Cooper transferred to Cap Z Management the shares and an option to Cap Z Management for no consideration on the Transaction Date. The shares and the option acquired on the Transaction Date are directly held by Cap Z Management.

(4) The option will vest and become exercisable in three substantially equal installments on May 12, 2011, 2012 and 2013.

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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