

Flagstone Reinsurance Holdings Ltd  
 Form 4  
 November 13, 2008

**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 \*  
**BROWN DAVID A**

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

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)  
 Director  10% Owner  
 Officer (give title below)  Other (specify below)  
**Chief Executive Officer**

(Last) (First) (Middle)  
**FLAGSTONE REINSURANCE HOLDINGS LTD., CRAWFORD HOUSE, 23 CHURCH STREET**  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
**09/29/2008**

**HAMILTON, D0 HM 11**  
 (City) (State) (Zip)

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

**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)			
			Code	V	Amount	(A) or (D)	Price			
Common Shares	09/29/2008	09/29/2008	J(1)		474,482 (2)	A	\$ 0	824,482 (3)	I	See Footnote (3)
Common Shares	11/12/2008	11/12/2008	J(4)		523,277 (5)	D	\$ 0	301,205 (6)	I	See Footnote (6)

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

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SEC 1474 (9-02)

displays a currently valid OMB control number.

**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. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Beneficially (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BROWN DAVID A FLAGSTONE REINSURANCE HOLDINGS LTD. CRAWFORD HOUSE, 23 CHURCH STREET HAMILTON, D0 HM 11	X		Chief Executive Officer	

## Signatures

/s/ David A. Brown 11/13/2008

\*\*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).

- On September 29, 2008, the reporting person exercised 1,535,605 options to purchase common shares of Haverford (Bermuda) Ltd ("Haverford"), an affiliate of Flagstone Reinsurance Holdings Limited (the "Company"). Immediately after exercising the options, the reporting person assigned the common shares of Haverford to Leyton Limited, a company owned by a trust for which the reporting person serves as settlor. On the same date, another shareholder of Haverford also obtained additional common shares in Haverford. The net result of this transaction was an increase in the indirect proportionate interest of the reporting person in the common shares of the Company. The reporting person may be deemed to have investment or voting control over Haverford. These shares are held through a trust for the benefit of others and the reporting person therefore disclaims beneficial ownership of these shares.
- 474,482 common shares represent the increase in the indirect proportionate interest of the reporting person in the 10,000,000 common shares of the Company held by Haverford as a result of the transaction described in (1) above.
  - 734,482 of these common shares represent the indirect proportionate interest of the reporting person in 10,000,000 common shares of the Company held by Haverford, based on the proportionate interest held by the reporting person in Haverford. The reporting person may be

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deemed to have investment or voting control over Haverford. These shares are held through a trust for the benefit of others and the reporting person therefore disclaims beneficial ownership of these shares. 80,000 of these common shares are held by Leyton Limited, a company owned by a trust for which the reporting person serves as settlor and the reporting person disclaims beneficial ownership of these shares. 10,000 of these common shares are held directly by the reporting person.

- (4) On November 12, 2008, Haverford paid a dividend in specie of 2,435 common shares of the Company to Leyton Limited, a company owned by a trust for which the reporting person serves as settlor. The reporting person has an indirect proportionate interest in the common shares of the Company held by Haverford and the reporting person disclaims beneficial ownership of these shares.

- (5) 523,277 common shares represent the net decrease in the indirect proportionate interest of the reporting person in the common shares of the Company as a result of the transaction described in (4) above. The dividend in specie of common shares of the Company paid by Haverford to its shareholders on November 12, 2008 was partially offset by the 2,435 common shares of the Company which were paid by Haverford as a dividend in specie to Leyton Limited. The reporting person may be deemed to have investment or voting control over Haverford. These shares are held through a trust for the benefit of others and the reporting person therefore disclaims beneficial ownership of these shares.

- (6) 208,770 of these common shares represent the indirect proportionate interest of the reporting person in 2,842,409 common shares of the Company held by Haverford, based on the proportionate interest of the reporting person in Haverford. The reporting person may be deemed to have investment or voting control over Haverford. These shares are held through a trust for the benefit of others and the reporting person therefore disclaims beneficial ownership of these shares. 82,435 of these common shares are held by Leyton Limited, a company owned by a trust for which the reporting person serves as settlor and reporting person disclaims beneficial ownership of these shares. 10,000 of these common shares are held directly by the reporting person.

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.