

Flagstone Reinsurance Holdings Ltd  
 Form 4  
 December 10, 2008

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
**PRESTIA GARY**  
  
 (Last) (First) (Middle)  
**FLAGSTONE REINSURANCE HOLDINGS LTD., CRAWFORD HOUSE, 23 CHURCH STREET**  
 (Street)  
**HAMILTON, D0 HM11**  
 (City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)  
**12/08/2008**

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)  
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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)
				(A) or (D)	Code V Amount (D) Price		

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

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**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**



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- Assuming the Company would settle these PSUs within three months of the vesting date, 70,000 of these shares would have expired on
- (4) March 31, 2009; 85,000 of these shares would have expired on March 31, 2010 and 70,000 of these shares would have expired on March 31, 2011.
  - (5) Represents the mid-point of the vesting range described in note 1 above for these PSUs.
  - (6) These PSUs would have vested, subject to the contingency described in note 1 above and the other terms and conditions of the Company's PSU Plan, on the date shown.
  - (7) Assumes the Company would settle these PSUs within three months of the vesting date.

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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