

BROWN DAVID A  
Form 4  
December 29, 2009

**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)  
12/15/2009

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| Common Shares                   | 12/15/2009                           |  | J <sup>(1)</sup>               | 24,000 A  | \$ 10.8986 325,205  | I  | See Footnote (1)                                      |
| Common Shares                   | 12/16/2009                           |  | J <sup>(1)</sup>               | 24,000 A  | \$ 10.8446 349,205  | I  | See Footnote (1)                                      |
| Common Shares                   | 12/17/2009                           |  | J <sup>(1)</sup>               | 22,000 A  | \$ 10.7197 371,205  | I  | See Footnote (1)                                      |

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|               |            |                  |        |   |            |         |   |                  |
|---------------|------------|------------------|--------|---|------------|---------|---|------------------|
| Common Shares | 12/18/2009 | J <sup>(1)</sup> | 20,000 | A | \$ 10.7939 | 391,205 | I | See Footnote (1) |
| Common Shares | 12/21/2009 | J <sup>(1)</sup> | 1,700  | A | \$ 10.9095 | 392,905 | I | See Footnote (1) |

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

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(9-02)

**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, 4, and 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|  |  |                                      |  | 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<br>FLAGSTONE REINSURANCE HOLDINGS LTD.<br>CRAWFORD HOUSE, 23 CHURCH STREET<br>HAMILTON, D0 HM 11 | X             |           | Chief Executive Officer |       |

## Signatures

/s/ David A. Brown  
12/29/2009

\*\*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) Between December 15, 2009 and December 21, 2009, Haverford (Bermuda) Ltd ("Haverford"), an affiliate of Flagstone Reinsurance Holdings Limited (the "Company") purchased 91,700 common shares of the Company. [215,505] of these common shares represent the indirect proportionate interest of the reporting person in 2,934,109 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.

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