

IORDANOU CONSTANTINE
Form 4
August 30, 2011

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2015
Estimated average burden hours per response... 0.5

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 *
IORDANOU CONSTANTINE

2. Issuer Name and Ticker or Trading Symbol
ARCH CAPITAL GROUP LTD.
[ACGL]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

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

Director 10% Owner
 Officer (give title below) Other (specify below)

Chairman, President & CEO

WESSEX HOUSE, 5TH FLOOR, 45 REID STREET

08/29/2011

(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

HAMILTON, D0 HM 12

(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 Indirect Beneficial Ownership (Instr. 4) |
|--|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V | Amount | (D) | Price |
| Common Shares, \$.0033 par value per share | 08/29/2011 | | S | | 70,000 (6) | D | \$ 33.9069 (5) |
| Common Shares, \$.0033 par value per share | | | | | 422,045 (4) | D | |
| Common Shares, \$.0033 par value per share | | | | | 343,245 (4) | I | By Limited Liability Company (1) |
| Series B Non-Cumulative Preferred Shares | | | | | 67,273.3862 | I | By GRAT |

(non-convertible)

Series A

Non-Cumulative
Preferred Shares
(non-convertible)

11,224.4855 I

BY
GRAT

Series B

Non-Cumulative
Preferred Shares
(non-convertible)

1,400 I

By spouse

Common Shares,
\$.0033 par value
per share

23,232 ⁽⁴⁾ I

By
children

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474
(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 or Value of Underlying Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|---|
| Stock Option (right to buy) | \$ 18.757 | | | | | ⁽²⁾ 02/23/2016 | Common Shares, \$.0033 par value per share | 132,447 ^{(3) (4)} |
| Stock Option (right to buy) | \$ 18.757 | | | | | ⁽²⁾ 02/23/2016 | Common Shares, \$.0033 par value per share | 317,553 ⁽⁴⁾ |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| IORDANOU CONSTANTINE WESSEX HOUSE, 5TH FLOOR 45 REID STREET HAMILTON, D0 HM 12 | X | | Chairman, President & CEO | |

Signatures

/s/ Constantine
Iordanou

08/30/2011

**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) The shares are owned by Mathiatis LLC, a limited liability company. The reporting person owns all of the membership interests in Mathiatis LLC and serves as its sole managing member.
 - (2) The stock option became exercisable in three equal annual installments with the first installment being exercisable on February 23, 2007 and the second and third installments being exercisable on February 23, 2008 and February 23, 2009.
On June 9, 2011, 132,447 stock options were distributed from a GRAT. Such options were previously reported as indirectly beneficially held by a GRAT. Following such distribution, the reporting person owns 132,447 stock options directly and 317,553 stock options indirectly by the GRAT.
 - (3) The amount of common shares includes common shares acquired in connection with a 3-for-1 share split effectuated on May 11, 2011.
 - (4) Represents a weighted average sales price; the sales prices range from \$33.85 to \$33.9501. Upon request, the full sale information regarding the number of shares sold at each price increment will be provided to the Commission or to a security holder of the issuer.
 - (5) The shares were sold in order to satisfy state and federal income tax obligations.

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.