

NewStar Financial, Inc.
Form SC 13D/A
November 09, 2016

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. 3)*

NewStar Financial, Inc.
(Name of Issuer)

Common Stock
(Title of Class of Securities)

65251F105
(CUSIP Number)

Capital Z Partners, Ltd.
142 West 57th Street
New York, New York 10019
(212) 965-0800

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

November 8, 2016
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), Rule 13d-1(f) or Rule 13d-1(g), check the following box:

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended ("Act") or otherwise subject to the liabilities of that

section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 65251F105

NAMES OF REPORTING PERSONS

1 Capital Z Financial Services Fund II,
L.P.

CHECK THE APPROPRIATE BOX IF (a)
A MEMBER OF A GROUP

2 (b)

SEC USE ONLY

3

SOURCE OF FUNDS (SEE
INSTRUCTIONS)

4 PF, AF, OO

CHECK BOX IF DISCLOSURE OF
LEGAL PROCEEDINGS IS
REQUIRED PURSUANT TO ITEM
2(D) OR 2(E)

5

CITIZENSHIP OR PLACE OF
ORGANIZATION

6 Bermuda

SOLE VOTING POWER

7
0

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

SHARED VOTING POWER

8
0

SOLE DISPOSITIVE POWER

9
0

SHARED DISPOSITIVE POWER

10
0

AGGREGATE AMOUNT
BENEFICIALLY OWNED BY EACH
REPORTING PERSON

11

0

12

CHECK BOX IF THE AGGREGATE
AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES (SEE
INSTRUCTIONS)

13

PERCENT OF CLASS
REPRESENTED BY AMOUNT IN
ROW (11)

0%

14

TYPE OF REPORTING PERSON
(SEE INSTRUCTIONS)

PN

2

CUSIP No. 65251F105

NAMES OF REPORTING PERSONS

1 Capital Z Financial Services Private
Fund II, L.P.

CHECK THE APPROPRIATE BOX IF (a)
2 A MEMBER OF A GROUP

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS (SEE
INSTRUCTIONS)

PF, AF, OO

5 CHECK BOX IF DISCLOSURE OF
LEGAL PROCEEDINGS IS
REQUIRED PURSUANT TO ITEM
2(D) OR 2(E)

6 CITIZENSHIP OR PLACE OF
ORGANIZATION

Bermuda

SOLE VOTING POWER

7
0

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

8 SHARED VOTING POWER

0

9 SOLE DISPOSITIVE POWER

0

10 SHARED DISPOSITIVE POWER

0

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED BY EACH
REPORTING PERSON

0

12

CHECK BOX IF THE AGGREGATE
AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES (SEE
INSTRUCTIONS)

13

PERCENT OF CLASS
REPRESENTED BY AMOUNT IN
ROW (11)

0.0%

14

TYPE OF REPORTING PERSON
(SEE INSTRUCTIONS)

PN

3

CUSIP No. 65251F105

NAMES OF REPORTING PERSONS

1
Capital Z Partners, L.P.

CHECK THE APPROPRIATE BOX IF (a)
A MEMBER OF A GROUP

2 (b)

SEC USE ONLY

3

SOURCE OF FUNDS (SEE
INSTRUCTIONS)

4
AF, PF, OO

CHECK BOX IF DISCLOSURE OF
LEGAL PROCEEDINGS IS
REQUIRED PURSUANT TO ITEM
2(D) OR 2(E)

5

CITIZENSHIP OR PLACE OF
ORGANIZATION

6
Bermuda

SOLE VOTING POWER

7
0

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

SHARED VOTING POWER

8
0

SOLE DISPOSITIVE POWER

9
0

SHARED DISPOSITIVE POWER

10
0

AGGREGATE AMOUNT
BENEFICIALLY OWNED BY EACH
REPORTING PERSON

11

0

12

CHECK BOX IF THE AGGREGATE
AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES (SEE
INSTRUCTIONS)

13

PERCENT OF CLASS
REPRESENTED BY AMOUNT IN
ROW (11)

0%

14

TYPE OF REPORTING PERSON
(SEE INSTRUCTIONS)

PN

4

CUSIP No. 65251F105

NAMES OF REPORTING PERSONS

1

Capital Z Partners, Ltd.

CHECK THE APPROPRIATE BOX IF (a)
A MEMBER OF A GROUP

2

(b)

SEC USE ONLY

3

SOURCE OF FUNDS (SEE
INSTRUCTIONS)

4

AF, PF, OO

CHECK BOX IF DISCLOSURE OF
LEGAL PROCEEDINGS IS
REQUIRED PURSUANT TO ITEM
2(D) OR 2(E)

5

CITIZENSHIP OR PLACE OF
ORGANIZATION

6

Bermuda

SOLE VOTING POWER

7

0

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

SHARED VOTING POWER

8

0

SOLE DISPOSITIVE POWER

9

0

SHARED DISPOSITIVE POWER

10

0

AGGREGATE AMOUNT
BENEFICIALLY OWNED BY EACH
REPORTING PERSON

11

0

12

CHECK BOX IF THE AGGREGATE
AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES (SEE
INSTRUCTIONS)

13

PERCENT OF CLASS
REPRESENTED BY AMOUNT IN
ROW (11)

0%

14

TYPE OF REPORTING PERSON
(SEE INSTRUCTIONS)

CO

5

CUSIP No. 65251F105

NAMES OF REPORTING PERSONS

1 Capital Z Partners Management, LLC

CHECK THE APPROPRIATE BOX IF (a)
A MEMBER OF A GROUP

2 (b)

SEC USE ONLY

3

SOURCE OF FUNDS (SEE
INSTRUCTIONS)

4 AF, PF, OO

CHECK BOX IF DISCLOSURE OF
LEGAL PROCEEDINGS IS
REQUIRED PURSUANT TO ITEM
2(D) OR 2(E)

5

CITIZENSHIP OR PLACE OF
ORGANIZATION

6 Delaware

SOLE VOTING POWER

7 28,970

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

SHARED VOTING POWER

8 4,000,000

SOLE DISPOSITIVE POWER

9 28,970

SHARED DISPOSITIVE POWER

10 4,000,000

AGGREGATE AMOUNT
BENEFICIALLY OWNED BY EACH
REPORTING PERSON

11

4,028,970

12

CHECK BOX IF THE AGGREGATE
AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES (SEE
INSTRUCTIONS)

13

PERCENT OF CLASS
REPRESENTED BY AMOUNT IN
ROW (11)

9.1%

14

TYPE OF REPORTING PERSON
(SEE INSTRUCTIONS)

OO

6

CUSIP No. 65251F105

NAMES OF REPORTING PERSONS

1
Capital Z Partners III, L.P.

CHECK THE APPROPRIATE BOX IF (a)
A MEMBER OF A GROUP

2 (b)

SEC USE ONLY

3

SOURCE OF FUNDS (SEE
INSTRUCTIONS)

4
PF, AF, OO

CHECK BOX IF DISCLOSURE OF
LEGAL PROCEEDINGS IS
REQUIRED PURSUANT TO ITEM
2(D) OR 2(E)

5

CITIZENSHIP OR PLACE OF
ORGANIZATION

6
Cayman Islands

SOLE VOTING POWER

7
0

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

SHARED VOTING POWER

8
4,000,000

SOLE DISPOSITIVE POWER

9
0

SHARED DISPOSITIVE POWER

10
4,000,000

AGGREGATE AMOUNT
BENEFICIALLY OWNED BY EACH
REPORTING PERSON

11

4,000,000

12

CHECK BOX IF THE AGGREGATE
AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES (SEE
INSTRUCTIONS)

13

PERCENT OF CLASS
REPRESENTED BY AMOUNT IN
ROW (11)

9.1%

14

TYPE OF REPORTING PERSON
(SEE INSTRUCTIONS)

PN

7

CUSIP No. 65251F105

NAMES OF REPORTING PERSONS

1

Capital Z Partners III GP, L.P.

CHECK THE APPROPRIATE BOX IF (a)
A MEMBER OF A GROUP

2

(b)

SEC USE ONLY

3

SOURCE OF FUNDS (SEE
INSTRUCTIONS)

4

PF, AF, OO

CHECK BOX IF DISCLOSURE OF
LEGAL PROCEEDINGS IS
REQUIRED PURSUANT TO ITEM
2(D) OR 2(E)

5

CITIZENSHIP OR PLACE OF
ORGANIZATION

6

Cayman Islands

SOLE VOTING POWER

7

0

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

SHARED VOTING POWER

8

4,000,000

SOLE DISPOSITIVE POWER

9

0

SHARED DISPOSITIVE POWER

10

4,000,000

AGGREGATE AMOUNT
BENEFICIALLY OWNED BY EACH
REPORTING PERSON

11

4,000,000

12

CHECK BOX IF THE AGGREGATE
AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES (SEE
INSTRUCTIONS)

13

PERCENT OF CLASS
REPRESENTED BY AMOUNT IN
ROW (11)

9.1%

14

TYPE OF REPORTING PERSON
(SEE INSTRUCTIONS)

PN

8

CUSIP No. 65251F105

NAMES OF REPORTING PERSONS

1

Capital Z Partners III GP, Ltd.

CHECK THE APPROPRIATE BOX IF (a)
A MEMBER OF A GROUP

2

(b)

SEC USE ONLY

3

SOURCE OF FUNDS (SEE
INSTRUCTIONS)

4

PF, AF, OO

CHECK BOX IF DISCLOSURE OF
LEGAL PROCEEDINGS IS
REQUIRED PURSUANT TO ITEM
2(D) OR 2(E)

5

CITIZENSHIP OR PLACE OF
ORGANIZATION

6

Cayman Islands

SOLE VOTING POWER

7

0

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

SHARED VOTING POWER

8

4,000,000

SOLE DISPOSITIVE POWER

9

0

SHARED DISPOSITIVE POWER

10

4,000,000

AGGREGATE AMOUNT
BENEFICIALLY OWNED BY EACH
REPORTING PERSON

11

4,000,000

12

CHECK BOX IF THE AGGREGATE
AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES (SEE
INSTRUCTIONS)

13

PERCENT OF CLASS
REPRESENTED BY AMOUNT IN
ROW (11)

9.1%

14

TYPE OF REPORTING PERSON
(SEE INSTRUCTIONS)

PN

9

CUSIP No. 65251F105

NAMES OF REPORTING PERSONS

1
Bradley E. Cooper

CHECK THE APPROPRIATE BOX IF (a)
A MEMBER OF A GROUP

2 (b)

SEC USE ONLY

3

SOURCE OF FUNDS (SEE
INSTRUCTIONS)

4
PF, AF, OO

CHECK BOX IF DISCLOSURE OF
LEGAL PROCEEDINGS IS
REQUIRED PURSUANT TO ITEM
2(D) OR 2(E)

5

CITIZENSHIP OR PLACE OF
ORGANIZATION

6
United States

SOLE VOTING POWER

7
45,883

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

SHARED VOTING POWER

8
4,028,970

SOLE DISPOSITIVE POWER

9
45,883

SHARED DISPOSITIVE POWER

10
4,028,970

AGGREGATE AMOUNT
BENEFICIALLY OWNED BY EACH
REPORTING PERSON

11

4,074,853

12

CHECK BOX IF THE AGGREGATE
AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES (SEE
INSTRUCTIONS)

13

PERCENT OF CLASS
REPRESENTED BY AMOUNT IN
ROW (11)

9.2%

14

TYPE OF REPORTING PERSON
(SEE INSTRUCTIONS)

IN; CO

10

Amendment to Schedule 13D

ITEM 1. SECURITY AND ISSUER

This Amendment No. 3 (the "Amendment") amends the Schedule 13D, filed on December 7, 2007, as amended on January 18, 2008 and October 25, 2016 (as amended from time to time, the "Amended Schedule 13D"), and relates to shares of common stock, \$0.01 par value per share ("Common Stock"), of NewStar Financial, Inc., a Delaware corporation (the "Issuer"). The Schedule 13D remains in full force and effect, except as specifically amended by this Amendment. Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Amended Schedule 13D.

ITEM 2. IDENTITY AND BACKGROUND

This Schedule 13D is being filed jointly by the following persons (the "Reporting Persons"):

- (1) Capital Z Financial Services Fund II, L.P. ("Fund II");
- (2) Capital Z Financial Services Private Fund II, L.P. ("Private Fund II");
- (3) Capital Z Partners, L.P. ("Capital Z GP LP");
- (4) Capital Z Partners, Ltd. ("Capital Z GP LTD");
- (5) Capital Z Partners Management, LLC ("CZPM");
- (6) Capital Z Partners III, L.P. (formerly known as Union Square Partners, L.P.) ("Capital Z III Fund");
- (7) Capital Z Partners III GP, L.P. (formerly known as Union Square Partners GP, L.P.) ("Capital Z III GP LP");
- (8) Capital Z Partners III GP, Ltd. (formerly known as Union Square Partners GP, Ltd.) ("Capital Z III GP LTD"); and
- (9) Bradley E. Cooper ("Mr. Cooper" and, together with CZPM, Capital Z III Fund, Capital Z III GP LP and Capital Z GP LTD, the "Continuing Reporting Persons").

ITEM 4. PURPOSE OF THE TRANSACTION

On November 8, 2016, Fund II and Private Fund II made pro rata distributions, without consideration, of all shares of Common Stock owned by them to their respective partners.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

(a), (b). The responses set forth on rows 7 through 13 of the cover pages of this Amendment No. 3 are incorporated herein by reference.

As of the date hereof, the Continuing Reporting Persons will beneficially own in the aggregate 4,058,889 shares of Common Stock. Based upon a total of 46,663,178 outstanding shares of Common Stock as of August 1, 2016, as reflected in the Issuer's Form 10-Q filed on August 4, 2016, and after taking into account the Issuer's announcement that it has repurchased an aggregate of 2,500,000 shares of Common Stock, the Continuing Reporting Persons' shares represent approximately 9.2% of the outstanding shares of Common Stock.

Neither Fund II nor Private Fund II directly any shares of Common Stock.

Capital Z GP LP, as the sole general partner of Fund II and Private Fund II, beneficially owns no shares of Common Stock.

Capital Z GP LTD, as the sole general partner of Capital Z GP LP, beneficially owns no 0 shares of Common Stock.

Capital Z III Fund directly owns 4,000,000 shares of Common Stock.

Capital Z III GP LP, as the sole general partner of Capital Z III Fund, may be deemed to beneficially own the 4,000,000 shares of Common Stock directly held by Capital Z III Fund.

Capital Z III GP LTD, as the sole general partner of Capital Z III GP LP, may be deemed to beneficially own the 4,000,000 shares of Common Stock beneficially owned by Capital Z III GP LP.

CZPM directly owns 28,970 shares of Common Stock. CZPM performs investment and management services for Capital Z III Fund, as a result of which it may be deemed to beneficially own the aggregate 4,000,000 shares owned by Capital Z III Fund.

Mr. Cooper directly owns 45,883 shares of Common Stock. Mr. Cooper is a director of the Issuer and, in his capacity as a stockholder of Capital Z GP LTD and an officer and co-owner of CZPM, may be deemed to beneficially own the aggregate 4,028,970 shares owned by the other Continuing Reporting Persons. Mr. Cooper disclaims beneficial ownership of the securities owned by the other Continuing Reporting Persons, except to the extent of any indirect pecuniary interest therein.

12

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: November 9, 2016

CAPITAL Z FINANCIAL SERVICES FUND II, L.P.

By its general partner, Capital Z Partners, L.P.

By its general partner, Capital Z Partners, Ltd.

By: /s/ Craig Fisher
Name: Craig Fisher
Title: General Counsel - Authorized Signatory

CAPITAL Z FINANCIAL SERVICES PRIVATE FUND II, L.P.

By its general partner, Capital Z Partners, L.P.

By its general partner, Capital Z Partners, Ltd.

By: /s/ Craig Fisher
Name: Craig Fisher
Title: General Counsel - Authorized Signatory

CAPITAL Z PARTNERS, L.P.

By its general partner, Capital Z Partners, Ltd.

By: /s/ Craig Fisher
Name: Craig Fisher
Title: General Counsel - Authorized Signatory

CAPITAL Z PARTNERS, LTD.

By: /s/ Craig Fisher
Name: Craig Fisher
Title: General Counsel - Authorized Signatory

CAPITAL Z PARTNERS MANAGEMENT, LLC

By: /s/ Craig Fisher
Name: Craig Fisher
Title: General Counsel - Authorized Signatory

CAPITAL Z PARTNERS III, L.P.

By its general partner, Capital Z Partners III GP, L.P.

By: /s/ Craig Fisher
Name: Craig Fisher
Title: General Counsel - Authorized Signatory

CAPITAL Z PARTNERS III GP, L.P.

By: /s/ Craig Fisher
Name: Craig Fisher
Title: General Counsel - Authorized Signatory

CAPITAL Z PARTNERS III GP, LTD.

By: /s/ Craig Fisher
Name: Craig Fisher
Title: General Counsel - Authorized Signatory

/s/ Bradley E. Cooper
Bradley E. Cooper
