

Flagstone Reinsurance Holdings Ltd
Form 4
March 13, 2008

FORM 4

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

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
THORN WRAY T

(Last) (First) (Middle)

**FLAGSTONE REINSURANCE
HOLDINGS
LIMITED, CRAWFORD HOUSE,
23 CHURCH STREET**

(Street)

HAMILTON, D0 HM 11

(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
03/13/2008

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)

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)
			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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information contained in this form are not
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SEC 1474
(9-02)

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

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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. Pr Deriv Secur (Instr.
				Code	V	(A)	(D)	
Restricted Share Units	\$ 0 ⁽¹⁾	03/13/2008		J ⁽²⁾	6,258	⁽³⁾	⁽³⁾	Common Shares 6,258 \$ 0

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
THORN WRAY T FLAGSTONE REINSURANCE HOLDINGS LIMITED CRAWFORD HOUSE, 23 CHURCH STREET HAMILTON, D0 HM 11	X

Signatures

/s/ Wray T.
Thorn

03/13/2008

 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).
 - (1) Each Restricted Share Unit ("RSU") represents the right to receive without payment to Flagstone Reinsurance Holdings Limited (the "Company"), one newly-issued, fully paid and non-assessable common share of the Company, subject to the terms and conditions of the RSU Plan and the grant certificate evidencing each grant. In the discretion of the Compensation Committee, upon vesting the value of an RSU grant alternatively may be paid in cash, or partly in cash and partly in common shares.
 - (2) The Company awarded to Marathon Special Opportunity Master Fund, Ltd. (the "Fund") the RSUs described herein.
 - (3) The RSUs vest 100% on the date of the grant.
 - (4) The reporting person is a director of the Company. The reporting person does not individually hold or otherwise beneficially own any securities of the Company. The reporting person is an employee of Marathon Asset Management, LLC (the "Investment Manager"), which serves as the investment manager of the Fund. The Fund owns certain securities of the Company, all of which are subject to the sole voting and investment authority of the Investment Manager. Thus, for the purposes of Reg. Section 240.13d-3, the Investment

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Manager is deemed to beneficially own the securities of the Company held by the Fund, and the reporting person disclaims beneficial ownership of the securities of the Company held by the Fund.

- (5) The Investment Manager, in its capacity as the holder of sole voting and investment authority of more than 5% of the common shares of the Company pursuant to Reg. 13d-3, separately files statements pursuant to Section 13 of the Securities Exchange Act of 1934, as amended. The reporting person's interest in the securities reported herein is limited to the extent of his pecuniary interest in the Fund, if any.

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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