

NewStar Financial, Inc.  
Form 4  
December 18, 2008

**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 \*  
OZ MANAGEMENT LP

2. Issuer Name and Ticker or Trading Symbol  
NewStar Financial, Inc. [NEWS]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

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

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

9 WEST 57TH STREET, 39TH FLOOR

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
\_X\_ Form filed by One Reporting Person  
\_\_\_\_ Form filed by More than One Reporting Person

(Street)

NEW YORK, NY 10019

(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 (A) or (D) Price			
Common Stock, par value \$.01 per share	12/16/2008		S	25,285 D \$ 3	6,328,114	I	See Footnotes (1) (2) (3) (4) (5) (6) (7)
Common Stock, par value \$.01 per share	12/16/2008		S	11,100 D \$ 2.74	6,317,014	I	See Footnotes (1) (2) (3) (4) (5) (6) (7)
Common Stock, par value \$.01 per share	12/17/2008		S	10,020 D \$ 2.68	6,306,994	I	See Footnotes (1) (2) (3) (4) (5) (6) (7)

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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 Beneficially Owned (Instr. 3 and 4)
				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
OZ MANAGEMENT LP 9 WEST 57TH STREET 39TH FLOOR NEW YORK, NY 10019			X	

## Signatures

OZ MANAGEMENT LP, By Och-Ziff Holding Corporation, its General Partner; By Och-Ziff Capital Management Group, LLC its sole shareholder; By: /s/ Daniel S. Och - Chief Executive Officer	12/18/2008
<b>**Signature of Reporting Person</b>	Date
OZ ADVISORS II, LP, By Och-Ziff Holding LLC, its General Partner; By Och-Ziff Capital Management Group, LLC its sole Shareholder; By: /s/ Daniel S. Och - Chief Executive Officer	12/18/2008
<b>**Signature of Reporting Person</b>	Date
OCH-ZIFF HOLDING CORPORATION, By Och-Ziff Capital Management Group LLC, its sole shareholder; By: /s/ Daniel S. Och - Chief Executive Officer	12/18/2008
<b>**Signature of Reporting Person</b>	Date
OCH-ZIFF HOLDING LLC, By Och-Ziff Capital Management Group LLC, its sole shareholder; By: /s/ Daniel S. Och - Chief Executive Officer	12/18/2008

\_\_Signature of Reporting Person

Date

OCH-ZIFF CAPITAL MANAGEMENT GROUP LLC, By: /s/ Daniel S. Och - Chief Executive Officer

12/18/2008

\_\_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) Represents securities directly held by OZ Master Fund, Ltd, Gordel Holdings Limited, GPC LVII, LLC, Goldman Sachs & Company Profit Sharing Master Trust, and OZ Global Special Investments Master Fund, LP, (the "Funds").

(2) OZ Management, LP ("OZ"), as investment manager to OZ Master Fund, Ltd., Gordel Holdings Limited, GPC LVII, LLC, and Goldman Sachs & Company Profit Sharing Master Trust, may be deemed to be the beneficial owner of the Issuer's securities held by the Funds. OZ disclaims beneficial ownership of such securities, and this report shall not be deemed an admission that OZ is the beneficial owner of the securities for the purpose of Section 16 or for any other purpose, except to its pecuniary interest therein.

(3) OZ Advisors II, LP, ("OZAI"), as general partner to OZ Global Special Investments Master Fund, LP, may be deemed to be the beneficial owner of the Issuer's securities held by the fund. OZAI disclaims beneficial ownership of such securities, and this report shall not be deemed an admission that OZAI is the beneficial owner of the securities for the purpose of SOZ Advisors II, LP, ("OZAI"), as general partner to OZ Global Special Investments Master Fund, LP, may be deemed to be the beneficial owner of the Issuer's securities held by the fund. OZAI disclaims beneficial ownership of such securities, and this report shall not be deemed an admission that OZAI is the beneficial owner of the securities for the purpose of Section 16 or for other purpose, except to its pecuniary interest therein.

(4) Och-Ziff Holding LLC, as general partner to OZ Advisors II, LP, may be deemed to be the beneficial owner of the Issuer's securities held by the SIMF. Och-Ziff Holding LLC disclaims beneficial ownership of such securities, and this report shall not be deemed an admission that OZAI is the beneficial owner of the securities for the purpose of Section 16 or for any other purpose, except to its pecuniary interest therein.

(5) Och-Ziff Holding Corporation, as general partner to OZ Management, LP, may be deemed to be the beneficial owner of the Issuer's securities held by the Funds. Och-Ziff Holding Corporation disclaims beneficial ownership of such securities, and this report shall not be deemed an admission that Och-Ziff Holding Corporation is the beneficial owner of the securities for the purpose of Section 16 or for any other purpose, except to its pecuniary interest therein.

(6) Och-Ziff Capital Management Group LLC ("OZM"), as the sole shareholder of both Och-Ziff Holding LLC and Och-Ziff Holding Corporation, may be deemed to be the beneficial owner of the Issuer's securities held by the Funds. Och-Ziff Capital Management Group disclaims beneficial ownership of such securities, and this report shall not be deemed an admission that OZM is the beneficial owner of the securities for the purpose of Section 16 or for any other purpose, except to its pecuniary interest therein.

(7) Daniel S. Och, as Chief Executive Officer and Executive Managing Director of Och-Ziff Capital Management Group, LLC, may be deemed to be the beneficial owner of the Issuer's securities held by the Funds. Mr. Och disclaims beneficial ownership of such securities, and this report shall not be deemed an admission that Mr. Och is the beneficial owner of the securities for the purpose of Section 16 or for any other purpose, except to his pecuniary interest therein.

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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