

NewStar Financial, Inc.  
 Form 4  
 January 22, 2008

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2005  
 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 \*  
 Union Square Partners GP, Ltd.

(Last) (First) (Middle)  
 230 PARK AVENUE  
 SOUTH, 11TH FLOOR  
 (Street)

NEW YORK, NY 10003

(City) (State) (Zip)

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

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 01/18/2008

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) \_\_\_X\_\_\_ Other (specify below)

See Remarks Section

6. Individual or Joint/Group Filing(Check Applicable Line)

\_\_\_ Form filed by One Reporting Person  
 \_\_\_X\_\_\_ 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 Stock, \$0.01 par value per share	01/18/2008		A	1,680,614	A \$ 10,400,000	I <sup>(1)</sup>	See Footnote <u>(1)</u>
Common Stock, \$0.01 par value per share					5,514,798	I <sup>(2)</sup>	See Footnote <u>(2)</u>

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 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

Union Square Partners GP, Ltd.  
230 PARK AVENUE SOUTH  
11TH FLOOR  
NEW YORK, NY 10003

See Remarks Section

Union Square Partners, L.P.  
230 PARK AVENUE SOUTH  
11TH FLOOR  
NEW YORK, NY 10003

See Remarks Section

Union Square Partners GP, L.P.  
230 PARK AVENUE SOUTH  
11TH FLOOR  
NEW YORK, NY 10003

See Remarks Section

CAPITAL Z FINANCIAL SERVICES PRIVATE FUND II,  
L.P.  
230 PARK AVENUE SOUTH  
11TH FLOOR  
NEW YORK, NY 10003

See Remarks Section

CAPITAL Z PARTNERS LP  
230 PARK AVENUE SOUTH  
11TH FLOOR

See Remarks Section

NEW YORK, NY 10003

CAPITAL Z PARTNERS LTD  
230 PARK AVENUE SOUTH  
11TH FLOOR  
NEW YORK, NY 10003

See Remarks Section

CAPITAL Z FINANCIAL SERVICES FUND II LP  
230 PARK AVENUE SOUTH  
11TH FLOOR  
NEW YORK, NY 10003

See Remarks Section

Capital Z Management, LLC  
230 PARK AVENUE SOUTH  
11TH FLOOR  
NEW YORK, NY 10003

See Remarks Section

## Signatures

/s/ Craig Fischer, Union Square Partners  
GP, Ltd.

01/18/2008

\_\_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) Due to the limitation on the amount of characters used, please see Footnote 1 in Exhibit 99.2 - Footnotes.
- (2) Due to the limitation on the amount of characters used, please see Footnote 2 in Exhibit 99.2 - Footnotes.

### Remarks:

See Exhibit 99.1 Joint Filer Information. Union Square Partners GP, Ltd., Union Square Partners GP, L.P. and Union Square Partners, L.P. may be deemed to be part of a "group" along with Capital Z Financial Services Fund II L.P., Capital Z Financial Services Private Fund II, L.P., and Capital Z Management, LLC (within the meaning of Rule 13d-5(b) under the Securities Exchange Act of 1934, as amended).

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.