Flagstone Reinsurance Holdings, S.A.
Form 3
September 06, 2012

FORM 3

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

OMB APPROVAL

OMB Number:	3235-0104
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

INITIAL STATEMENT OF 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 *
Â VALIDUS HOLDINGS LTD
(Last) (First) (Middle)

29 RICHMOND ROAD
(Street)

PEMBROKE,Â D0Â HM08
(City) (State) (Zip)

2. Date of Event Requiring Statement (Month/Day/Year)
08/30/2012

3. Issuer Name **and** Ticker or Trading Symbol
Flagstone Reinsurance Holdings, S.A. [FSR]

4. Relationship of Reporting Person(s) to Issuer
(Check all applicable)
_____ Director
__X__ 10% Owner
_____ Officer
_____ Other
(give title below) (specify below)

5. 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

Table I - Non-Derivative Securities Beneficially Owned

1.Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Shares, par value $0.01 per share	16,000,000	I	See footnotes (1) (2) (3)

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

SEC 1473 (7-02)

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.

Table II - Derivative Securities Beneficially Owned (*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of			

				Shares		(I) (Instr. 5)	
Restricted Stock Units	Â (1)(2)(3)	Â (1)(2)(3)	Common Shares	14,939	$ (1) (2) (3)	I	See footnotes (1) (2) (3)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
VALIDUS HOLDINGS LTD 29 RICHMOND ROAD PEMBROKE,Â D0Â HM08	Â	Â X	Â	Â

Signatures

Validus Holdings, Ltd. /s/ Robert F. Kuzloski Title: Executive Vice President & Chief Corporate Legal Officer — 09/06/2012

**Signature of Reporting Person — Date

Explanation of Responses:

***** If the form is filed by more than one reporting person, *see* Instruction 5(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) On August 30, 2012, Validus Holdings, Ltd. ("Validus") entered into an Agreement and Plan of Merger (the "Merger Agreement"), dated as of August 30, 2012, by and among Validus, Validus UPS, Ltd., a wholly owned subsidiary of Validus, Flagstone Reinsurance Holdings, S.A. ("Flagstone") and Flagstone Reinsurance Holdings (Bermuda) Limited, a wholly owned subsidiary of Flagstone, pursuant to which the successor in interest to Flagstone will be acquired by Validus.

(2) As an inducement for Validus to enter into the Merger Agreement, Validus entered into voting agreements with investment funds associated with Lightyear Capital and Trilantic Capital Partners (each, a "Shareholder" and collectively, the "Shareholders"), which collectively own approximately 22.5% of the outstanding Flagstone shares. Pursuant to the voting agreements, each Shareholder has agreed (i) to vote all of such Shareholder's Flagstone shares, among other things, in favor of approval of the Merger Agreement and (ii) to certain restrictions on transfer. A description of the voting agreements is set forth in a Schedule 13D filed by Validus on September 5, 2012.

(3) Validus is filing this statement solely because, as a result of the voting agreements, Validus may be deemed to share beneficial ownership of 16,000,000 Flagstone shares and 14,939 Flagstone restricted stock units, which represent approximately 22.5% of the outstanding Flagstone shares (based upon 71,058,922 outstanding Flagstone shares as of August 7, 2012 as reported in Flagstone's Form 10-Q for the quarterly period ended June 30, 2012). The filing of this Initial Statement of Beneficial Ownership of Securities on Form 3 shall not be construed as an admission by Validus that it is the beneficial owner of any Flagstone shares (or other securities) for purposes of Section 13(d), 13(g) or 16 of the Exchange Act, or for any other purposes, and such beneficial ownership is hereby expressly disclaimed.

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.