

Security Capital Assurance Ltd
 Form 4
 August 03, 2006

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 *
GIORDANO PAUL S

2. Issuer Name and Ticker or Trading Symbol
Security Capital Assurance Ltd [SCA]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
08/02/2006

Director 10% Owner
 Officer (give title below) Other (specify below)
President & CEO

1221 AVENUE OF THE AMERICAS

(Street)

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

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

NEW YORK, NY 10021-1001

(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 Ownership (Instr. 4)
				Code V	Amount	(A) or (D)	Price
Common Shares	08/02/2006		A	V	110,184	A	\$ 0 <u>(1)</u>
					114,184	D	

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

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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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
Stock Option (Employee Right to Buy)	\$ 20.5	08/02/2006		A	69,859	<u>(2)</u> 03/09/2011	03/09/2011	Common Shares	69,859
Stock Option (Employee Right to Buy)	\$ 20.5	08/02/2006		A	61,496	<u>(3)</u> 03/08/2012	03/08/2012	Common Shares	61,496
Stock Option (Employee Right to Buy)	\$ 20.5	08/02/2006		A	86,581	<u>(4)</u> 03/07/2013	03/07/2013	Common Shares	86,581
Stock Option (Employee Right to Buy)	\$ 20.5	08/02/2006		A	85,578	<u>(4)</u> 03/05/2014	03/05/2014	Common Shares	85,578
Stock Option (Employee Right to Buy)	\$ 20.5	08/02/2006		A	144,449	<u>(4)</u> 03/04/2015	03/04/2015	Common Shares	144,449

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GIORDANO PAUL S 1221 AVENUE OF THE AMERICAS NEW YORK, NY 10021-1001	X		President & CEO	

Signatures

/s/ Sarah Fox, Attorney-in-fact for Paul S. Giordano 08/03/2006

__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) The shares were issued in substitution for options and restricted shares of XL Capital Ltd, which were cancelled by mutual agreement of the reporting person and XL Capital Ltd.
- (2) The option provides for vesting in two equal annual installments beginning on August 2, 2007.
- (3) The option provides for vesting in three equal annual installments beginning on August 2, 2007.
- (4) The option provides for vesting in four equal annual installments beginning on August 2, 2007.

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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