

Flagstone Reinsurance Holdings Ltd
 Form 4/A
 November 06, 2009

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 *
 THORN WRAY T

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

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
 01/01/2009

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

C/O FLAGSTONE REINSURANCE HOLDINGS LTD, CRAWFORD HOUSE, 23 CHURCH STREET

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)
 03/02/2009

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

HAMILTON, D0 HM 11

(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 Shares | 01/01/2009 | | J(1) | | 550,485 (3) | A | \$ 9.77 |
| | | | | | 6,400,485 (4) | I (4) | |
| Common Shares | 01/01/2009 | | J(1) | | 550,485 (3) | D | \$ 9.77 |
| | | | | | 5,850,000 (4) | I (4) | |
| Common Shares | 03/19/2009 | | J(2) | | 32,574 (5) | D | \$ 7.6996 |
| | | | | | 5,622,887 (4) | I (4) | |

see footnote (4)
 see footnote (4)
 see footnote (4)

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| | | | | | | | | |
|---------------|------------|------------------|------------------------|---|------------|--------------------------|------------------|-----------------------------|
| Common Shares | 03/31/2009 | J ⁽²⁾ | 27,429 ⁽⁵⁾ | D | \$ 7.79 | 5,374,978 ⁽⁴⁾ | I ⁽⁴⁾ | see footnote ⁽⁴⁾ |
| Common Shares | 04/01/2009 | J ⁽¹⁾ | 109,738 ⁽⁵⁾ | A | \$ 7.79 | 5,484,716 ⁽⁴⁾ | I ⁽⁴⁾ | see footnote ⁽⁴⁾ |
| Common Shares | 04/01/2009 | J ⁽¹⁾ | 109,738 ⁽⁵⁾ | D | \$ 7.79 | 5,374,978 ⁽⁴⁾ | I ⁽⁴⁾ | see footnote ⁽⁴⁾ |
| Common Shares | 05/11/2009 | J ⁽²⁾ | 8,354 ⁽⁵⁾ | D | \$ 9.2354 | 5,366,624 ⁽⁴⁾ | I ⁽⁴⁾ | see footnote ⁽⁴⁾ |
| Common Shares | 05/14/2009 | J ⁽²⁾ | 14,400 ⁽⁵⁾ | D | \$ 9.1617 | 5,352,224 ⁽⁴⁾ | I ⁽⁴⁾ | see footnote ⁽⁴⁾ |
| Common Shares | 05/15/2009 | J ⁽²⁾ | 9,290 ⁽⁵⁾ | D | \$ 9.02 | 5,342,934 ⁽⁴⁾ | I ⁽⁴⁾ | see footnote ⁽⁴⁾ |
| Common Shares | 05/20/2009 | J ⁽²⁾ | 12,140 ⁽⁵⁾ | D | \$ 9.1313 | 5,285,191 ⁽⁴⁾ | I ⁽⁴⁾ | see footnote ⁽⁴⁾ |
| Common Shares | 05/22/2009 | J ⁽²⁾ | 6,374 ⁽⁵⁾ | D | \$ 9.05 | 5,269,209 ⁽⁴⁾ | I ⁽⁴⁾ | see footnote ⁽⁴⁾ |
| Common Shares | 05/27/2009 | J ⁽²⁾ | 10,000 ⁽⁵⁾ | D | \$ 9.1 | 5,229,783 ⁽⁴⁾ | I ⁽⁴⁾ | see footnote ⁽⁴⁾ |
| Common Shares | 05/28/2009 | J ⁽²⁾ | 113,889 ⁽⁵⁾ | D | \$ 9.0513 | 5,115,894 ⁽⁴⁾ | I ⁽⁴⁾ | see footnote ⁽⁴⁾ |
| Common Shares | 06/03/2009 | J ⁽²⁾ | 9,817 ⁽⁵⁾ | D | \$ 10.0329 | 5,100,577 ⁽⁴⁾ | I ⁽⁴⁾ | see footnote ⁽⁴⁾ |
| Common Shares | 06/04/2009 | J ⁽²⁾ | 11,279 ⁽⁵⁾ | D | \$ 10.02 | 5,089,298 ⁽⁴⁾ | I ⁽⁴⁾ | see footnote ⁽⁴⁾ |
| Common Shares | 06/16/2009 | J ⁽²⁾ | 42,400 ⁽⁵⁾ | D | \$ 10 | 5,038,955 ⁽⁴⁾ | I ⁽⁴⁾ | see footnote ⁽⁴⁾ |
| Common Shares | 06/18/2009 | J ⁽²⁾ | 3,700 ⁽⁵⁾ | D | \$ 10.092 | 5,035,255 ⁽⁴⁾ | I ⁽⁴⁾ | see footnote ⁽⁴⁾ |
| Common Shares | 06/19/2009 | J ⁽²⁾ | 9,059 ⁽⁵⁾ | D | \$ 10.06 | 5,026,196 ⁽⁴⁾ | I ⁽⁴⁾ | see footnote |

| | | | | | | | | | |
|---------------|------------|------------------|-----------------------|---|------------|--------------------------|------------------|-----|------------------|
| Common Shares | 07/01/2009 | J ⁽¹⁾ | 51,647 ⁽⁵⁾ | A | \$ 10.3 | 5,077,843 ⁽⁴⁾ | I ⁽⁴⁾ | (4) | see footnote (4) |
| Common Shares | 07/01/2009 | J ⁽¹⁾ | 51,647 ⁽⁵⁾ | D | \$ 10.3 | 5,026,196 ⁽⁴⁾ | I ⁽⁴⁾ | (4) | see footnote (4) |
| Common Shares | 08/12/2009 | J ⁽²⁾ | 51,647 ⁽⁵⁾ | D | \$ 11.2262 | 4,947,512 ⁽⁴⁾ | I ⁽⁴⁾ | (4) | see footnote (4) |
| Common Shares | 08/14/2009 | J ⁽²⁾ | 4,838 ⁽⁵⁾ | D | \$ 9.58 | 4,931,421 ⁽⁴⁾ | I ⁽⁴⁾ | (4) | see footnote (4) |

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 Owned Beneficially (Instr. 3, 4, and 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
| | | | | 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 |
| THORN WRAY T C/O FLAGSTONE REINSURANCE HOLDINGS LTD CRAWFORD HOUSE, 23 CHURCH STREET HAMILTON, D0 HM 11 | | X | | |

Signatures

/s/ Wray T.
Thorn

11/06/2009

__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).

The reported transactions represent the transfer of shares of common shares of Flagstone Reinsurance Holdings Limited (the "Company")

- (1) from Marathon Special Opportunity Master Fund, Ltd. (the "Master Fund") to Marathon Special Opportunity Liquidating Fund, Ltd. (the "Liquidating Fund" and together with the Master Fund, the "Funds").

- (2) Represents a sale by the Master Fund and/or the Liquidating Fund.

- (3) This transaction was omitted from the reporting person's Form 4 filing that was filed with the U.S. Securities and Exchange Commission (the "SEC") on March 2, 2009. This transaction was also omitted from Column 5 of Table I of each Form 4 filed by the reporting person from March 2, 2009 through September 25, 2009.

These shares are held by the Master Fund and the Liquidating Fund. 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, LP (formerly known as Marathon Asset Management, LLC, the "Investment Manager"), which serves as

- (4) the investment manager of the Funds. The Funds own 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 Manager is deemed to beneficially own the securities of the Company held by the Funds, and the reporting person disclaims beneficial ownership of the securities of the Company held by the Funds.

- (5) These shares are being reported on this Form 4 Amendment because they were omitted from Forms 4 filed with the SEC by the reporting person between March 2, 2009 and September 25, 2009.

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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