

Flagstone Reinsurance Holdings Ltd  
 Form 3  
 March 29, 2007

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**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 BRUMM NICHOLAS (Last) (First) (Middle)  FLAGSTONE REINSURANCE HOLDINGS LIMITED, Â 23 CHURCH STREET (Street)  HAMILTON, D0Â HM11 (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) 03/29/2007	3. Issuer Name and Ticker or Trading Symbol Flagstone Reinsurance Holdings Ltd [FSR]	4. Relationship of Reporting Person(s) to Issuer  (Check all applicable)  <input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input type="checkbox"/> Officer <input type="checkbox"/> Other (give title below)    (specify below)	5. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person
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**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)
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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. SEC 1473 (7-02)

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**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)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable    Expiration Date	Title    Amount or Number of			

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				Shares		or Indirect (1) (Instr. 5)	
Restricted Share Units	Â (1)	Â (1)	Common Shares	4,901	\$ 0 (2)	I	By QVT Fund L.P. (3)

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BRUMM NICHOLAS FLAGSTONE REINSURANCE HOLDINGS LIMITED 23 CHURCH STREET HAMILTON, D0Â HM11	Â X	Â	Â	Â

## Signatures

/s/ Nicholas  
Brumm 03/29/2007

\_\_Signature of Date  
Reporting Person

## 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) The Restricted Share Units ("RSUs") vest 100% on the date of the grant.  
Each RSU represents the right to receive, without payment to the issuer, one newly-issued, fully paid and non-assessable common share of the issuer, subject to the terms and conditions of the RSU Plan and the grant certificate evidencing each grant. In the discretion of the Compensation Committee, upon vesting the value of the RSU grant alternatively may be paid in cash, or partly in cash and partly in common shares.
- (2) These RSUs are held by QVT Fund L.P., which also owns other shares of the issuer. The reporting person is a managing member of: (a) QVT Associates GP LLC (the general partner of QVT Fund L.P.) and (b) QVT Financial GP LLC, the general partner of QVT Financial LP (the investment manager of QVT Fund L.P.). The reporting person disclaims beneficial ownership of these RSUs as well as any and all other shares of the issuer held by QVT Fund L.P.
- (3)

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.