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"Issuer") issued \$50 million in aggregate principal amount of Floating Rate Deferrable Interest Junior Subordinated Notes (the "Notes") due 2037. Together with the \$50 million in aggregate principal amount of Notes issued on June 8, 2007, the Notes issued in this transaction bring the total aggregate principal amount of Notes issued and outstanding to \$100 million.

The Notes may be redeemed in whole or in part on or after July 30, 2012 at the option of the Issuer at a redemption price equal to the principal amount of the notes being redeemed, plus accrued but unpaid interest to the redemption date.

The Notes bear interest at a variable rate per annum, reset quarterly, equal to LIBOR (as defined in the Indenture) plus 3.00% and were issued pursuant to the terms of an indenture, dated as of June 8, 2007 (the "Indenture"), by and among the Issuer, the Company, as Guarantor, and Wilmington Trust Company, as Trustee (the "Trustee").

The Indenture contains customary covenants relating to restrictions on the ability of the Issuer and the Company to consolidate, merge or convey or transfer substantially all of their assets. The Indenture also contains customary events of default.

The preceding description of the Indenture is not intended to be complete and is qualified in its entirety by the specific language in the Indenture, a copy of which is attached as Exhibit 4.1 to the Current Report on Form 8-K filed by the Company with the Securities and Exchange Commission on June 14, 2007 which is incorporated herein by reference.

ITEM 2.03 CREATION OF A DIRECT FINANCIAL OBLIGATION OR AN OBLIGATION UNDER AN OFF-BALANCE SHEET ARRANGEMENT OF A REGISTRANT.

Reference is made to Item 1.01 and the description of the Notes and the Indenture contained therein, each of which is hereby incorporated by reference into this Item 2.03.

ITEM 8.01 OTHER EVENTS.

On June 29, 2007, the Company issued a press release announcing the two private sales of Notes. A copy of the press release is attached hereto as Exhibit 99.1 to this current report on Form 8-K.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits:

| Exhibit No. | Description |
|-------------|--|
| ----- | ----- |
| 4.1 | Indenture, dated as of June 8, 2007, between Flagstone Finance S.A., as Issuer, Flagstone Reinsurance Holdings Limited, as Guarantor, and Wilmington Trust Company, as Trustee (filed as Exhibit 4.1 to the Current Report on Form 8-K filed by the Company with the Securities and Exchange Commission on June 14, 2007). |
| 99.1 | Press Release dated June 29, 2007. |

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: July 5, 2007

FLAGSTONE REINSURANCE HOLDINGS LIMITED

By: /s/ James O'Shaughnessy

Name: James O'Shaughnessy
Title: Chief Financial Officer

EXHIBIT INDEX

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