

CAPITAL Z PARTNERS LTD  
 Form 4  
 September 30, 2011

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2015  
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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 \*  
 Capital Z Partners III GP, Ltd.

2. Issuer Name and Ticker or Trading Symbol  
 NewStar Financial, Inc. [NEWS]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
 142 WEST 57TH STREET,  
 (Street)

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 09/28/2011

\_\_\_\_ Director  
 \_\_\_\_ Officer (give title below)  Other (specify below)

See Remarks Section

NEW YORK, NY 10019

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

(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)
				(A) or (D) Code V Amount (D) Price			
Common Stock, \$0.01 par value					4,000,000	I <sup>(1)</sup>	See Footnote <sup>(1)</sup>
Common Stock, \$0.01 par value	09/28/2011		J <sup>(3)</sup>	4,945 A \$ 0	5,529,743	I <sup>(2) (3)</sup>	See Footnotes <sup>(2) (3)</sup>

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**

SEC 1474 (9-02)

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**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. Title and Amount of Underlying Securities (Instr. 3 and 4)
Stock Option (Right to Buy)	\$ 10.11	09/28/2011		J <sup>(3)</sup>	5,000	<sup>(4)</sup> 05/11/2018	Common Stock	5,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Capital Z Partners III GP, Ltd. 142 WEST 57TH STREET NEW YORK, NY 10019				See Remarks Section
Capital Z Partners III, L.P. 230 PARK AVENUE SOUTH 11TH FLOOR NEW YORK, NY 10003				See Remarks Section
Capital Z Partners III GP, L.P. 230 PARK AVENUE SOUTH 11TH FLOOR NEW YORK, NY 10003				See Remarks Section
CAPITAL Z FINANCIAL SERVICES FUND II LP ONE CHASE MANHATTAN PLAZA NEW YORK, NY 10005				See Remarks Section
CAPITAL Z FINANCIAL SERVICES PRIVATE FUND II, L.P. 54 THOMPSON ST. NEW YORK, NY 10012				See Remarks Section

CAPITAL Z PARTNERS LP  
ONE CHASE MANHATTAN PLAZA  
NEW YORK, NY 10005

See Remarks Section

CAPITAL Z PARTNERS LTD  
ONE CHASE MANHATTAN PLAZA  
NEW YORK, NY 10005

See Remarks Section

Capital Z Management, LLC  
142 WEST 57TH STREET  
3RD FLOOR  
NEW YORK, NY 10019

See Footnote (1)

## Signatures

/s/ Craig Fisher, Authorized Signatory for Capital Z Partners III GP,  
Ltd.

09/29/2011

\_\_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) Due to the limitation on the amount of characters used, please see Item 1 of Exhibit 99.2 Explanation of Response.
- (2) Due to the limitation on the amount of characters used, please see Item 2 of Exhibit 99.2 Explanation of Response.
- (3) Due to the limitation on the amount of characters used, please see Item 3 of Exhibit 99.2 Explanation of Response.
- (4) Due to the limitation on the amount of characters used, please see Item 4 of Exhibit 99.2 Explanation of Response.

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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