

ARCH CAPITAL GROUP LTD.

Form 4

October 31, 2008

**FORM 4****UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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

## OMB APPROVAL

OMB  
Number: 3235-0287  
Expires: January 31,  
2005  
Estimated average  
burden hours per  
response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
LEE KEWSONG

2. Issuer Name **and** Ticker or Trading  
Symbol  
ARCH CAPITAL GROUP LTD.  
[ACGL]

5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

(Last) (First) (Middle)

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

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

C/O WARBURG PINCUS LLC, 466  
LEXINGTON AVE

10/30/2008

(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 10017

(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)
Common Shares, \$0.01 par value per share <u>(1)</u> <u>(2)</u>	10/30/2008		J <sup>(3)</sup>	3,492,586	D <u>(3)</u> 3,989,150	I	See Footnotes (1) and (2)
Common Shares, \$0.01 par value per share <u>(1)</u> <u>(2)</u>	10/30/2008		A	26,034 <sup>(3)</sup>	A <u>(3)</u> 135,429	D	

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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)

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. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares
				Code	V (A) (D)				

## Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
LEE KEWSONG C/O WARBURG PINCUS LLC 466 LEXINGTON AVE NEW YORK, NY 10017	X

## Signatures

/s/ Kewsong Lee 10/31/2008

                     \*\*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) See Exhibit 99.

Kewsong Lee, a Director of the Issuer, is a General Partner of WP, a Managing Director and Member of WP LLC and a beneficial owner of certain shares of capital stock of WP VIII Bermuda Ltd. and WPIP Bermuda Ltd. Other than 135,429 Common Shares, 26,034 of which were received by Mr. Lee pursuant to the distribution described in footnote (3) below and 11,458 of which were granted to and are

- (2) directly owned by Mr. Lee in consideration of his service as a Director of the Issuer, the Warburg Pincus Entities own 3,989,150 Common Shares. Mr. Lee may be deemed to have an indirect pecuniary interest (within the meaning of Rule 16a-1 under the Securities Exchange Act of 1934) in an indeterminate portion of the shares owned by WP VIII Bermuda, WPIP Bermuda and WPIP Netherlands I. Mr. Lee disclaims beneficial ownership of all shares owned by the Warburg Pincus Entities.

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- (3) On October 30, 2008, WP VIII Bermuda, WPIP Bermuda and WPIP Netherlands I distributed an aggregate of 3,492,586 Common Shares to their limited and general partners. Mr. Lee received 26,034 Common Shares pursuant to the distributions.

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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