

CLEMENTS ROBERT

Form 4

March 10, 2005

**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  
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response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
CLEMENTS ROBERT

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)  
ARCH CAPITAL GROUP (U.S.)  
INC., ONE SOUND SHORE  
DRIVE, SUITE 104

3. Date of Earliest Transaction  
(Month/Day/Year)  
03/08/2005

☒ Director ☐ 10% Owner  
☐ Officer (give title below) ☒ Other (specify  
below) Chairman of the Board of Direc

(Street)  
GREENWICH, CT 06830

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<br>Security<br>(Instr. 3)                | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3.<br>Transaction<br>Code<br>(Instr. 8) | 4. Securities Acquired<br>(A) or Disposed of<br>(D)<br>(Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form: Direct<br>(D) or<br>Indirect (I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|--|---|---|---|--|--|--|---|
| Common<br>Shares,<br>\$.01 par<br>value per<br>share | 03/08/2005                              |   | A                                       | 16,851<br>(1)  | A \$ 20 611,871  | D  |   |
| Common<br>Shares,<br>\$.01 par<br>value per<br>share | 03/08/2005                              |   | A                                       | 10,298<br>(1)  | A \$ 20 529,806  | I  | See<br>footnote 2<br>(2)  |

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|  |        |   |                          |
|--|--------|---|--------------------------|
| Common<br>Shares,<br>\$.01 par<br>value per<br>share | 2,725  | I | See<br>footnote 3<br>(3) |
| Common<br>Shares,<br>\$.01 par<br>value per<br>share | 24,381 | I | See<br>footnote 4<br>(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<br>Derivative<br>Security<br>(Instr. 3) | 2.<br>Conversion<br>or Exercise<br>Price of<br>Derivative<br>Security | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 4.<br>Transaction<br>Code<br>(Instr. 8) | 5. Number of<br>Derivative<br>Securities<br>Acquired (A)<br>or Disposed of<br>(D)<br>(Instr. 3, 4,<br>and 5) | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) |     | 7. Title and Amount of<br>Underlying Securities<br>(Instr. 3 and 4) |                    |  |                                     |
|---|---|---|---|---|--|--|-----|---|--------------------|--|-------------------------------------|
|   |   |   |   | Code                                    | V  | (A)  | (D) | Date<br>Exercisable   | Expiration<br>Date | Title  | Amount<br>or<br>Number<br>of Shares |
| Class B<br>Warrants<br>(right to<br>buy)            | \$ 20   | 03/08/2005                              |   | X                                       |  | 32,198   |     | 12/16/2002  | 09/19/2005         | Common<br>Shares,<br>\$.01 par<br>value per<br>share | 32,198<br><u>(1)</u>                |
| Class B<br>Warrants<br>(right to<br>buy)            | \$ 20   | 03/08/2005                              |   | X                                       |  | 19,677   |     | 12/16/2002  | 09/19/2005         | Common<br>Shares,<br>\$.01 par<br>value per<br>share | 19,677<br><u>(1)</u>                |

## Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

X

Chairman of the Board of Direc

CLEMENTS ROBERT  
ARCH CAPITAL GROUP (U.S.) INC.  
ONE SOUND SHORE DRIVE, SUITE 104  
GREENWICH, CT 06830

## Signatures

/s/ Louis T. Petrillo,  
Attorney-in-fact

03/10/2005

\_\_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) Reflects an acquisition of Common Shares from the cashless exercise of Class B Warrants at an exercise price of \$20.00 per share as described in Table II. The net increase in beneficial ownership of Common Shares resulting therefrom is indicated in Table I.
- (2) Reflects securities held by the spouse of the Reporting Person. The Reporting Person disclaims beneficial ownership of securities owned by his spouse.  
  
Reflects Common Shares held by Sound View Partners, L.P. ("Sound View"). The Reporting Person does not have a pecuniary interest in, and disclaims beneficial ownership of, approximately 98% of the securities held by Sound View, which represents the ownership percentage of Sound View partners other than the Reporting Person, but excluding that portion of Sound View held by Taracay Investors ("Taracay") to the extent of the Reporting Person's beneficial ownership of Taracay. Taracay owns approximately 50% of Sound View. Taracay is a general partnership, the general partners of which consist of the Reporting Person and members of his family and the managing partner of which is the Reporting Person.
- (3) Reflects Common Shares held by a grantor retained annuity trust established by the Reporting Person and his spouse, as trustees.
- (4) Neither the Reporting Person nor his spouse owns any other Class B Warrants following the exercise reported herein.

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.