

IORDANOU CONSTANTINE  
Form 4  
January 03, 2012

**FORM 4**

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

OMB APPROVAL

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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 \*  
IORDANOU CONSTANTINE

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)

Chairman, President & CEO

WESSEX HOUSE, 5TH FLOOR, 45 REID 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

(Street)

HAMILTON, D0 HM 12

(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)
			Code	V	Amount	(A) or (D)	Price
Common Shares, \$.0033 par value per share	01/01/2012		M		719,615	A	\$ 7.8333
Common Shares, \$.0033 par value per share	01/01/2012		F		151,403 (3)	D	\$ 37.23
Common Shares, \$.0033 par value per share	01/01/2012		M		480,385	A	\$ 7.8333
Common Shares, \$.0033 par value per share	01/01/2012		F		101,071	D	\$ 37.23
							1,091,660
							940,257
							480,385
							379,314
							D
							D
							I
							I
							By 2005 GRAT
							By 2005

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\$.0033 par value per share	<u>(4)</u>			GRAT
Common Shares, \$.0033 par value per share		116,613	I	By Limited Liability Company
Series B Non-Cumulative Preferred Shares (non-convertible)		67,273.3862	I	By 2010 GRAT
Series A Non-Cumulative Preferred Shares (non-convertible)		11,224.4855	I	By 2010 GRAT
Series B Non-Cumulative Preferred Shares (non-convertible)		1,400	I	By spouse
Common Shares, \$.0033 par value per share		11,616	I	By child

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Stock Option (right to buy)	\$ 7.8333					<u>(1)</u> 01/01/2012	Common Shares, \$.0033 par value per share 719,615 <u>(2)</u>
Stock Option	\$ 7.8333					<u>(1)</u> 01/01/2012	Common Shares, 480,385

(right to buy)								\$ .0033 par value per share	
Stock Option (right to buy)	\$ 7.8333	01/01/2012		M	719,615	<u>(1)</u>	01/01/2012	Common Shares, \$.0033 par value per share	719,615
Stock Option (right to buy)	\$ 7.8333	01/01/2012		M	480,385	<u>(1)</u>	01/01/2012	Common Shares, \$.0033 par value per share	480,385

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
IORDANOU CONSTANTINE WESSEX HOUSE, 5TH FLOOR 45 REID STREET HAMILTON, D0 HM 12	X		Chairman, President & CEO	

## Signatures

/s/ Louis T. Petrillo, Attorney  
in fact

01/03/2012

    \*\*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) The stock option became exercisable in three equal annual installments with the first installment being exercisable on January 1, 2002 and the second and third installments being exercisable on January 1, 2003 and January 1, 2004.
- 167,258 of the 719,615 stock options were previously reported as indirectly owned by the 2005 GRAT; on December 21, 2011, the 2005
- (2) GRAT distributed 167,258 of such stock options to the reporting person and as a result, the reporting person directly owns 719,615 stock options.
- (3) On January 1, 2012, the reporting person exercised 719,615 stock options and, under the net settlement provisions of the applicable stock option agreement, 151,403 common shares were withheld in payment of the exercise price.
- (4) On January 1, 2012, the reporting person's 2005 GRAT exercised 480,385 stock options and, under the net settlement provisions of the applicable stock option agreement, 101,071 common shares were withheld in payment of the exercise price.

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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