

McLendon Charles  
Form 3  
May 12, 2006

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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 *		2. Date of Event Requiring Statement	3. Issuer Name <b>and</b> Ticker or Trading Symbol	
Â McLendon Charles		(Month/Day/Year)	PRIMUS GUARANTY LTD [PRS]	
(Last)	(First)	(Middle)	05/03/2006	
C/O PRIMUS ASSET MANAGEMENT, INC.			4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
(Street)			(Check all applicable)	
360 MADISON AVENUE, 23RD FLOOR,Â NYÂ 10017			<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner	6. Individual or Joint/Group Filing(Check Applicable Line)
(City)	(State)	(Zip)	<input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Form filed by One Reporting Person
			(give title below) (specify below)	<input type="checkbox"/> Form filed by More than One Reporting Person
			President- Primus Asset Mgmt.	

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

**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.**

**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	

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(Instr. 5)

Options to Purchase Common Shares	02/02/2006	03/07/2013	Common Shares, par value \$.08 per share	23,750	\$ 12.45	D	Â
Options to Purchase Common Shares	02/02/2007	03/07/2013	Common Shares, par value \$.08 per share	23,750	\$ 12.45	D	Â
Options to Purchase Common Shares	02/02/2008	03/07/2013	Common Shares, par value \$.08 per share	23,750	\$ 12.45	D	Â
Options to Purchase Common Shares	02/02/2009	03/07/2013	Common Shares, par value \$.08 per share	23,750	\$ 12.45	D	Â
Restricted Share Units	03/07/2007	Â <sup>(1)</sup>	Common Shares, par value \$.08 per share	<u>23,333</u> <sup>(2)</sup> <sub>(3)</sub>	\$ <u>(1)</u>	D	Â
Restricted Share Units	03/07/2008	Â <sup>(1)</sup>	Common Shares, par value \$.08 per share	<u>23,333</u> <sup>(2)</sup> <sub>(3)</sub>	\$ <u>(1)</u>	D	Â
Restricted Share Units	03/07/2009	Â <sup>(1)</sup>	Common Shares, par value \$.08 per	<u>23,333</u> <sup>(2)</sup> <sub>(3)</sub>	\$ <u>(1)</u>	D	Â

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
McLendon Charles C/O PRIMUS ASSET MANAGEMENT, INC. 360 MADISON AVENUE, 23RD FLOOR, NY NY 10017	Â	Â	Â President- Primus Asset Mgmt.	Â

## Signatures

Charles  
McLendon

05/12/2006

\_\_Signature of  
Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 5(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) Not applicable.
  - (2) These restricted share units were granted on March 7, 2006 and will vest as to one-third of the shares on each of the first three anniversaries of the grant date.
  - (3) Upon their vesting, restricted share units convert to the right to receive common shares.

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.