

Bray John Kirby
Form 4
March 20, 2009

FORM 4

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

OMB APPROVAL

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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 *
Bray John Kirby

(Last) (First) (Middle)

C/O NEWSTAR FINANCIAL, INC., 500 BOYLSTON STREET, SUITE 1600

(Street)

BOSTON, MA 02116

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
03/18/2009

4. If Amendment, Date Original Filed (Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
Chief Financial Officer

6. Individual or Joint/Group Filing (Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

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

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	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date	7. Title and Amount Underlying Security
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Security (Instr. 3)	or Exercise Price of Derivative Security	any (Month/Day/Year)	Code (Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(Month/Day/Year)	(Instr. 3 and 4)			
			Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount	Number of Shares
Stock Option (Right to Buy)	\$ 17	03/18/2009	D		67,015	(1) 12/13/2016	Common Stock	67,	
Stock Option (Right to Buy)	\$ 2.76	03/18/2009	A		400,000	(3) 03/18/2016	Common Stock	400,	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Bray John Kirby C/O NEWSTAR FINANCIAL, INC. 500 BOYLSTON STREET, SUITE 1600 BOSTON, MA 02116			Chief Financial Officer	

Signatures

/s/ Daniel K. Crowley as attorney-in-fact for John K. Bray
03/20/2009

__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 option provided for 60% vesting on December 13, 2006 and 10% vesting on each anniversary of December 13, 2006 thereafter. On March 18, 2009, the issuer cancelled, pursuant to the issuer's option exchange program, an option granted to the reporting person on December 13, 2006, and in exchange, the issuer granted a replacement option for 400,000 shares to the reporting person. The new option has an exercise price of \$2.76, which is equal to the closing price of the underlying stock on the grant date.
- (3) The option will vest and become exercisable in three substantially equal annual installments on March 18, 2010, 2011 and 2012.

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.