

Hele John C.R.
Form 4
May 11, 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 *
Hele John C.R.

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 LTD., 45
REID STREET, 5TH FLOOR

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
05/09/2012

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
EVP,CFO & Treasurer

HAMILTON, D0 HM 12

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 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 | 05/09/2012 | | A | | 18,000 | A | 123,998 |
| Common Shares, \$.0033 par value per share | 05/11/2012 | | S ⁽³⁾ | | 10,135 ⁽³⁾ | D | \$ 39.2204 ⁽⁴⁾ 113,863 |

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) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Stock Appreciation Right ⁽²⁾ | \$ 38.58 | 05/09/2012 | | A | 18,000 | <u>(2)</u> 05/09/2022 | Common Shares, \$0.0033 par value per share | 18,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Hele John C.R. ARCH CAPITAL GROUP LTD. 45 REID STREET, 5TH FLOOR HAMILTON, D0 HM 12 | | | EVP,CFO & Treasurer | |

Signatures

/s/ Louis T. Petrillo, Attorney
in fact 05/11/2012
**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) Represents restricted shares that vest in three equal annual installments on May 9th in each of 2013, 2014 and 2015, subject to the applicable award agreement.
- (2) The stock appreciation right will become exercisable in three equal annual installments, with the first installment becoming exercisable on May 9, 2013 and the next two installments on May 9, 2014 and May 6, 2015, subject to the applicable award agreement.
- (3) The shares were sold in order to satisfy state and federal tax obligations.

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- (4) Represents a weighted sale price; the sale prices range from \$39.17 to \$39.32. Upon request, the full sale information regarding the number of shares sold at each price increment will be provided to the Commission or to a security holder of the issuer.

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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