

PASQUESI JOHN M  
Form 4  
October 20, 2011

**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 \*  
PASQUESI JOHN M

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)  
10/18/2011

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Vice Chairman

C/O OTTER CAPITAL LLC, 755  
PAGE MILL ROAD

(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

PALO ALTO, CA 94304

(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 or Price		
Common Shares, \$.0033 par value per share	10/18/2011		M		796,419 A \$ 6.667	886,538	D
Common Shares, \$.0033 par value per share	10/18/2011		F		157,974 (3) D \$ 33.61	728,564	D
	10/18/2011		M		552,838 A	1,281,402	D

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Common Shares, \$.0033 par value per share					\$ 6.667			
Common Shares, \$.0033 par value per share	10/18/2011	F	<u>109,663</u> <sup>(4)</sup>	D	\$ 33.61	1,171,739	D	
Common Shares, \$.0033 par value per share						1,152,804	I	By Limited Liability Company <u>(1)</u>
Common Shares, \$.0033 par value per share						62,211	I	By Trust <u>(2)</u>

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 of Number of Shares
Stock Option (right to buy)	\$ 6.667	10/18/2011		M	796,419	10/23/2003 10/23/2011	Common Shares, \$.0033 par value per share 796,419
Stock Option (right to buy)	\$ 6.667	10/18/2011		M	552,838	10/23/2001 10/23/2011	Common Shares, \$.0033 par value 552,838

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PASQUESI JOHN M C/O OTTER CAPITAL LLC 755 PAGE MILL ROAD PALO ALTO, CA 94304	X			Vice Chairman

## Signatures

/s/ Louis T. Petrillo, Attorney  
in fact

10/20/2011

\_\_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 security holder is Otter Capital LLC, for which Mr. Pasquesi serves as managing member. All indicated securities are included because of his affiliation with Otter Capital LLC.
- (2) The reporting person contributed his directly owned shares of the company to a revocable trust. The reporting person and his spouse are the trustees.
- (3) On October 18, 2011, the reporting person exercised 796,419 stock options and, under the net settlement provisions of the applicable stock option agreement, 157,974 common shares were withheld in payment of the exercise price.
- (4) On October 18, 2011, the reporting person exercised 552,838 stock options and, under the net settlement provisions of the applicable stock option agreement, 109,663 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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