

PRIMUS GUARANTY LTD  
Form S-8  
July 08, 2010

As filed with the Securities and Exchange Commission on July 8, 2010

Registration No. 333-\_\_\_\_\_

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

**FORM S-8  
REGISTRATION STATEMENT  
UNDER THE  
SECURITIES ACT OF 1933**

**PRIMUS GUARANTY, LTD.**

(Exact name of Registrant as Specified in its Charter)

**Bermuda**

(State or Other Jurisdiction of  
Incorporation or Organization)

**98-0402357**

(IRS Employer Identification No.)

**Clarendon House**

**2 Church Street**

**Hamilton HM 11, Bermuda**

(Address of Principal Executive Offices)

**Primus Guaranty, Ltd. Incentive Compensation Plan  
Written Compensation Agreements with Certain Employees**

(Full Title of the Plan)

**Vincent Tritto, Esq.**

**Primus Asset Management, Inc.**

**360 Madison Avenue, 23rd Floor**

**New York, New York 10017**

**(212) 697-2227**

(Name, Address and Telephone Number of Agent for Service)

**Copy to:**

**Stephen P. Farrell, Esq.**

**Morgan, Lewis & Bockius LLP**

**101 Park Avenue**

**New York, New York 10178**

**(212) 309-6000**

**Fax: (212) 309-6001**

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer o      Accelerated filer o      Non-accelerated filer p      Smaller reporting company o

(Do not check if a smaller reporting company)

**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities to Be Registered</b>	<b>Amount to Be Registered</b>	<b>Proposed Maximum Offering Price Per Share</b>	<b>Proposed Maximum Aggregate Offering Price</b>	<b>Amount of Registration Fee</b>
Common shares, \$0.08 par value, subject to restricted share units, performance share units, performance share awards or deferred share awards, or reserved for future grants, under the Primus Guaranty, Ltd. Incentive Compensation Plan (the Incentive Compensation Plan )	15,849,213 shares(1)	3.88(2)	\$61,494,946(2)	\$4,385(3)
Common shares, \$0.08 par value, subject to restricted share units granted under written compensation agreements with certain employees (the Written Compensation Agreements )	378,000 shares(1)	3.88(2)	\$ 1,466,640(2)	\$ 105(3)
Restricted Share Units (4)	(5)	(6)	(6)	(6)
Performance Share Units (4)	(5)	(6)	(6)	(6)
Performance Share Awards (4)	(5)	(6)	(6)	(6)
Deferred Share Awards (4)	(5)	(6)	(6)	(6)
Common shares TOTAL	16,227,213 shares(1)	3.88(2)	\$62,961,586(2)	\$4,490(3)

(1) Pursuant to Rule 416 under the Securities Act of 1933, as amended (the Securities Act ), this Registration Statement shall also cover any additional common shares, \$0.08 par value ( common shares ), which become issuable under the Incentive Compensation Plan or any

written  
compensation  
agreements by  
reason of any  
share dividend,  
share split,  
recapitalization  
or any other  
similar  
transaction  
effected without  
the receipt of  
consideration  
which results in  
an increase in  
the number of  
outstanding  
common shares.

(2) Calculated  
pursuant to  
paragraphs  
(c) and (h) of  
Rule 457 (based  
upon the  
average of the  
reported high  
and low sales  
prices for the  
Registrant's  
common shares  
as reported on  
the New York  
Stock Exchange  
for July 2,  
2010).

(3) Calculated  
pursuant to  
Section 6(b) of  
the Securities  
Act, as follows:  
Proposed  
maximum  
aggregate  
offering price  
per share  
multiplied by  
0.0000713.

(4)

Restricted share units, performance share units, performance share awards and deferred share awards represent rights, with or without dividend equivalents, to acquire common shares for no additional consideration pursuant to the Incentive Compensation Plan, upon the vesting thereof or, with respect to restricted share units granted under the written compensation agreements, pursuant to the written compensation agreements, upon the vesting thereof.

- (5) Each restricted share unit, performance share unit, performance share award and deferred share award shall represent a right to acquire one common share, subject to adjustment for any stock dividend, stock split,

recapitalization  
or any other  
similar  
transaction  
effected without  
the receipt of  
consideration  
which results in  
an increase in  
the number of  
outstanding  
common shares.  
The aggregate  
number of  
restricted share  
units,  
performance  
share units,  
performance  
share awards  
and deferred  
share awards  
issued pursuant  
to the Incentive  
Compensation  
Plan and the  
written  
compensation  
agreements shall  
not exceed the  
number of  
common shares  
being registered  
herein, as  
adjusted  
pursuant to  
Rule 416(a).

- (6) Included in the offering price and fee calculations for the common shares being registered herein. Any value attributable to the restricted share units, performance

share units,  
performance  
share awards  
and deferred  
share awards,  
representing  
rights to acquire  
common shares,  
is reflected in  
the market price  
of the common  
shares, and any  
restricted share  
units,  
performance  
share units,  
performance  
share awards  
and deferred  
share awards  
sold will be sold  
for  
consideration  
not to exceed  
the value of the  
underlying  
common shares  
represented by  
the restricted  
share units,  
performance  
share units,  
performance  
share awards  
and deferred  
share awards on  
the date of sale.  
Accordingly,  
there is no  
additional  
offering price or  
registration fee  
with respect to  
the restricted  
share units,  
performance  
share units,  
performance  
share awards  
and deferred  
share awards

being registered  
herein.

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EXPLANATORY NOTE

This Registration Statement includes a form of prospectus to be used by officers, directors and employees of ours and of our subsidiaries or by their donees, pledges or transferees or others on their behalf, in connection with the resale of common shares, which common shares are registered pursuant to this Registration Statement.

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PART I

INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

Item 1. Plan Information.\*

Item 2. Registrant Information and Employee Plan Annual Information.\*

\* Information required by Part I of Form S-8 to be contained in the Section 10(a) prospectus is omitted from this Registration Statement in accordance with Rule 428 under the Securities Act and the Note to Part I of Form S-8.

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**PROSPECTUS**  
**2,328,199 SHARES**  
**PRIMUS GUARANTY, LTD.**  
**COMMON SHARES**

This prospectus relates to the resale of our common shares by officers, directors and employees of ours and of our subsidiaries or by their donees, pledges or transferees or others on their behalf. The common shares which may be sold have previously been acquired, or will be acquired, by these individuals pursuant to awards under our Incentive Compensation Plan or written compensation contracts. We will not receive any of the proceeds from the sale of these common shares.

We will pay all expenses in connection with the registration of the common shares; we will not pay commissions, discounts and fees of underwriters, brokers, dealers or agents.

You should carefully read this prospectus and any prospectus supplement, together with the documents incorporated by reference, before you invest in our common shares.

Our common shares are listed on the New York Stock Exchange (NYSE:PRS). On July 7, 2010 the last reported sale prices of the common shares on the NYSE was \$3.97 per share.

*See Risk Factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2009, which is incorporated by reference herein, to read about factors you should consider before buying our common shares.*

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

Prospectus dated July 8, 2010

**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

*This Prospectus contains forward-looking statements within the meaning of the safe harbor provisions of U.S. Private Securities Litigation Reform Act of 1995 with respect to our future financial or business performance, strategies or expectations. Forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. All statements, other than statements of historical facts, included in this document regarding our strategy, future operations, future financial position, future revenues, projected costs, prospects, plans and objectives of management are forward-looking statements. The words anticipate, believe, estimate, expect, intend, may, plan, potential, project, opportunity, seek, will, would and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make and future results could differ materially from historical performance. We have included important factors in the cautionary statements included in our Annual Report on Form 10-K, which is incorporated by reference herein, particularly in the Risk Factors section of such Annual Report, that we believe could cause actual results or events to differ materially from the forward-looking statements that we make. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments we may make. Forward-looking statements speak only as of the date they are made, and we do not assume any obligation to, and do not undertake to, update any forward-looking statements.*

## PROSPECTUS SUMMARY

*This summary provides a brief overview of the key aspects of Primus Guaranty, Ltd. and all material terms of the offered securities that are known as of the date of this prospectus. Unless otherwise indicated or the context otherwise requires, when we use the words the Company, we, us, ours and our, we are referring to Primus Guaranty, Ltd., when we use the words Primus Asset Management, we are referring to Primus Asset Management, Inc. alone or collectively with its wholly owned subsidiary, CypressTree Investment Management, LLC ( CypressTree ), and when we use the words Primus Financial, we are referring to Primus Financial Products, LLC alone or collectively with its wholly owned subsidiaries. For a more complete understanding of the terms of a particular issuance of offered securities, and before making your investment decision, you should carefully read:*

*this prospectus, which explains the general terms of the securities that we may offer; and the documents referred to in Where You Can Find More Information for information about us, including our financial statements.*

### **Primus Guaranty, Ltd.**

We are a Bermuda company that was incorporated in 1998 and are a holding company that currently conducts business through two operating subsidiaries, Primus Asset Management and Primus Financial Products. Primus Asset Management is an investment manager to affiliated companies and third-party entities. Primus Financial Products, LLC is a credit derivative product company ( CDPC ).

Primus Asset Management, a Delaware corporation, acts as manager of the credit swap and cash investment portfolios of its affiliate, Primus Financial. Additionally Primus Asset Management manages collateralized loan obligations ( CLOs ), collateralized swap obligations ( CSOs ), investment fund vehicles and separately managed accounts on behalf of third parties. The CLOs issue securities backed by a diversified pool of primarily below investment grade rated senior secured loans of corporations. The CSOs issue securities backed by one or more credit swaps sold against a diversified pool of investment grade corporate or sovereign Reference Entities (as defined below). Primus Asset Management receives fees for its investment management services. In general, such management fees are calculated based on a percentage of assets under management, subject to applicable contractual terms. Primus Asset Management also has entered into a Services Agreement with its affiliates, whereby it provides management, consulting and information technology services, among others, to its affiliates. As of March 31, 2010, Primus Asset Management managed Primus Financial's credit swap portfolio of \$16.4 billion in notional amount and together with CypressTree managed assets of approximately \$3.5 billion in CLOs, CSOs, investment fund vehicles and separately managed accounts.

Primus Financial is a Delaware limited liability company that, as a CDPC, was established to sell credit protection in the form of credit swaps primarily to global financial institutions and major credit swap dealers, referred to as counterparties, against primarily investment grade credit obligations of corporate and sovereign issuers. In exchange for a fixed quarterly premium, Primus Financial agreed, upon the occurrence of a defined credit event (e.g., bankruptcy, failure to pay or restructuring) affecting a designated issuer, referred to as a Reference Entity, to pay to its counterparty an amount determined through industry-sponsored auctions equivalent to the notional amount of the credit swap less the auction-determined recovery price of the underlying debt obligation. Primus Financial may elect to acquire the underlying security in the related auction or in the market and seek to sell such obligation at a later date. Our registered office is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The telephone number is 441-296-0519. The offices of Primus Asset Management and Primus Financial are located at 360 Madison Avenue, New York, New York 10017, and their telephone number is 212-697-2227.

### WHERE YOU CAN FIND MORE INFORMATION

We must file annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission (the SEC). You may read and copy any documents we file at the SEC's public reference rooms in Washington, D.C. Please call the SEC at 1-800-SEC-0330 for further information on the public reference facility. Our SEC filings are also available to the public from the SEC's Web site at <http://www.sec.gov>.

The SEC allows us to incorporate by reference information into this prospectus, which means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be part of this prospectus. Information in this prospectus may update documents previously filed with the SEC, and later information that we file with the SEC will automatically update this prospectus. We incorporate by reference the documents listed below and any future filings made with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), prior to the termination of the offering:

- (a) Our Annual Report on Form 10-K for the fiscal period ended December 31, 2009 filed with the SEC on March 16, 2010;
- (b) Our Current Reports on Form 8-K filed with the SEC on March 31, 2010, May 4, 2010 and May 13, 2010;
- (c) Our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2010, filed with the SEC on May 17, 2010; and
- (d) Our Form 8-A (File Number 001-32307) filed with the SEC on September 24, 2004, including any amendments or reports filed for the purpose of updating the description of our common shares.

You may request a copy of these filings at no cost, by writing or telephoning us at the following address:

Primus Guaranty, Ltd.  
c/o Primus Asset Management, Inc.  
360 Madison Avenue, 23rd Floor  
New York, New York 10017  
Attention: Investor Relations  
(212) 697-2227

**You should rely only on the information provided in this prospectus, as well as the information incorporated by reference. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus, any prospectus supplement or any documents incorporated by reference is accurate as of any date other than the date of the applicable document. This prospectus does not constitute an offer to sell or solicitation of an offer to buy.**

Information on our Web site is not part of this prospectus.

**USE OF PROCEEDS**

We will not receive any of the proceeds from the sale of the common shares by the individuals named herein.

**SELLING SHAREHOLDERS**

The following table identifies the beneficial ownership of our common shares, any of whom may use this prospectus to sell our common shares. We do not know whether the individuals listed below will sell any or all of their common shares covered by this prospectus. Assuming all such common shares are sold by them, none of the individuals would own one percent (1%) or more of our common shares unless indicated below.

<b>Owner</b>	<b>Number of Shares Owned<sup>(1)</sup></b>	<b>Number of Shares Covered By This Prospectus<sup>(2)</sup></b>	<b>Number of Shares Owned After Sales</b>
<b>Non-Executive Directors and Non-Executive Director Nominees:</b>			
Michael P. Esposito, Jr., Chairman	148,405 <sup>(3)</sup>	43,806	104,599*
Frank P. Filippis	58,808 <sup>(4)</sup>	43,806	15,002*
Paul S. Giordano	48,154 <sup>(5)</sup>	43,806	4,348*
Thomas J. Hartlage	5,500 <sup>(6)</sup>	52,733 <sup>(7)</sup>	5,500* <sup>(6)</sup>
Robert R. Lusardi	85,598 <sup>(8)</sup>	43,806	41,792*