

NewStar Financial, Inc.
 Form 4
 January 18, 2008

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 *
 Corsair Capital LLC

(Last) (First) (Middle)

717 FIFTH AVENUE, 24TH FLOOR

(Street)

NEW YORK, NY 10022

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
 01/18/2008

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___X___ 10% Owner
 ___ Officer (give title below) ___ Other (specify below)

6. Individual or Joint/Group Filing (Check Applicable Line)
 ___X___ 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 Indirect Beneficial Ownership (Instr. 4) |
|--|--------------------------------------|--|--------------------------------|---|---|--|---|
| Common Stock, par value \$0.01 per share | 01/18/2008 | | P | (A) 1,680,614 (1) | \$ 10 9,704,972 (2) | I | See Footnotes (3) (4) |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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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) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Owned Following Reporting Transaction (Instr. 6) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Corsair Capital LLC 717 FIFTH AVENUE, 24TH FLOOR NEW YORK, NY 10022 | | X | | |

Signatures

/s/ Amy M. Soeda, Chief Financial Officer of the Reporting Person 01/18/2008

__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) Consists of 1,600,801 shares held directly by Corsair III Financial Services Capital Partners, L.P. ("Corsair III") and 79,813 shares held directly by Corsair III Financial Services Offshore 892 Partners, L.P. ("Corsair III Offshore"). Corsair III Management, L.P. is the General Partner of Corsair III and Corsair III Offshore. The Reporting Person is the General Partner of Corsair III Management, L.P.
- (2) Consists of (a) the securities listed in Column 4, (b) 2,209,238 and 110,148 shares held directly by Corsair III and Corsair III Offshore, respectively, each of which were acquired on 11/29/2007 and reported in the Statement of Changes in Beneficial Ownership of Securities filed by the Reporting Person on 12/03/2007 and (c) 5,704,972 shares held directly by J.P. Morgan Corsair II Capital Partners, L.P. ("Corsair II"), including 200,174 shares which may be acquired by Corsair II by exercise at any time at the option of Corsair II of one warrant. The General Partner of Corsair II is Corsair II, L.P., the General Partner of Corsair II, L.P. is Corsair II, L.L.C., and the Managing Member of Corsair II, L.L.C. is Corsair PTJB, LLC. The Reporting Person is the Manager of Corsair PTJB, LLC.
- (3) The Reporting Person is filing solely in its capacity as General Partner of Corsair III Management, L.P. and as Manager of Corsair PTJB, LLC. By reason of the provisions of Rule 13d-3(a) of the Securities Exchange Act of 1934, the Reporting Person and Corsair III Management L.P. may be deemed to beneficially own the securities held by Corsair III and Corsair III Offshore, although each of the Reporting Person and Corsair III Management L.P., respectively, disclaims beneficial ownership of such securities except to the extent of their respective pecuniary interests therein. (Text continues in Note 4).
- (4) (Text continued from Note 3) By reason of the provisions of Rule 13d-3(a) of the Securities Exchange Act of 1934, the Reporting Person, Corsair II, L.P., Corsair II, L.L.C. and Corsair PTJB, LLC may be deemed to beneficially own the securities held by Corsair II, although

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each of the Reporting Person, Corsair II, L.P., Corsair II, L.L.C. and Corsair PTJB, LLC, respectively, disclaims beneficial ownership of such securities except to the extent of their respective pecuniary interests therein. The Reporting Person holds the securities indirectly through Corsair II, Corsair III and Corsair III Offshore.

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.