

TUNNELL DAVID R  
Form 4  
December 30, 2005

**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 \*  
TUNNELL DAVID 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)

3. Date of Earliest Transaction (Month/Day/Year)  
12/30/2005

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

HELLMAN & FRIEDMAN  
LLC, ONE MARITIME PLAZA  
12TH FLOOR

(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

SAN FRANCISCO, CA 94111

(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)		
				(A) or (D)	Price				
				Code	V	Amount			
Common Shares, \$.01 par value per share <sup>(1)</sup> <sub>(2) (3)</sub>	12/30/2005		C	7,745,820	A	<u>(4)</u>	9,348,044	I	By Partnership
Common Shares, \$.01 par value per						<u>(5)</u>	20,563	D	



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extent of their respective indirect pecuniary interests in the Issuer.

Mr. Tunnell is a 9.9% shareholder of HFCI Bermuda, but is not a member of the Investment Committee. Other than the 3,355 Common Shares and the 1,800 options to purchase Common Shares granted to Mr. Tunnell in consideration for his service as a director of the Issuer, the H&F entities described in Footnote 1 own 9,348,044 Common Shares.

- (2) Shares and the 1,800 options to purchase Common Shares granted to Mr. Tunnell in consideration for his service as a director of the Issuer, the H&F entities described in Footnote 1 own 9,348,044 Common Shares.
- (3) Mr. Tunnell may be deemed to have an indirect pecuniary interest (within the meaning of Rule 16a-1 under the Securities Exchange Act of 1934) in an indeterminate portion of the Common Shares beneficially owned by the Partnerships. Mr. Tunnell disclaims beneficial ownership of all Common Shares beneficially owned by these entities, including an aggregate of 3,355 Common Shares and 1,800 options to purchase Common Shares granted to Mr. Tunnell in consideration for his service as a director of the Issuer, except to the extent of his indirect pecuniary interest in the Issuer held through such entities.

- On December 30, 2005, at the request of the Issuer, the Partnerships converted 7,745,820 shares of Series A Convertible Preference Shares of the Issuer into an equal number of Common Shares of the Issuer. The Preference Shares would have been otherwise converted automatically into Common Shares in February, 2006.
- (4) Shares of the Issuer into an equal number of Common Shares of the Issuer. The Preference Shares would have been otherwise converted automatically into Common Shares in February, 2006.

- Includes 3,355 Common Shares granted to Mr. Tunnell in consideration for his service as a director of the Issuer, which are held for the benefit of the Partnerships. Mr. Tunnell disclaims beneficial ownership of these 3,355 Common Shares except to the extent of his indirect pecuniary interest in the Issuer held through the Partnerships.
- (5) benefit of the Partnerships. Mr. Tunnell disclaims beneficial ownership of these 3,355 Common Shares except to the extent of his indirect pecuniary interest in the Issuer held through the Partnerships.

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.