

VALIDUS HOLDINGS LTD

Form PRER14A

May 19, 2009

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PRELIMINARY PROXY STATEMENT DATED MAY 18, 2009 SUBJECT TO COMPLETION

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

SCHEDULE 14A

**PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE SECURITIES
EXCHANGE ACT OF 1934 (Amendment No. 3)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to § 240.14a-12

VALIDUS HOLDINGS, LTD.
(Name of Registrant as Specified in Its Charter)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11
(Set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
- (5) Total fee paid:

- b Fee paid previously with preliminary materials.
 - o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.
 - (1) Amount previously paid:
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 - (3) Filing party:
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-

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PRELIMINARY PROXY STATEMENT DATED MAY 18, 2009 SUBJECT TO COMPLETION

**19 Par-La-Ville Road
Hamilton HM11
Bermuda**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE , 2009**

May , 2009

NOTICE IS HEREBY GIVEN that a Special Meeting of Shareholders of Validus Holdings, Ltd. will be held at 19 Par-La-Ville Road, Hamilton HM11, Bermuda, on June , 2009, at , Atlantic Time, for the following purposes:

to approve the issuance of Validus voting common shares, par value \$0.175 per share, in connection with the acquisition of all of the outstanding common shares, par value \$0.01 per share, of IPC Holdings, Ltd. pursuant to the Validus Amalgamation Agreement (as defined in the proxy statement on the following pages), the Scheme of Arrangement (as defined in the proxy statement on the following pages), the Exchange Offer (as defined in the proxy statement on the following pages) or otherwise; and

to transact such further business, if any, as may be lawfully brought before the meeting, including to approve the adjournment of the meeting for the solicitation of additional proxies in favor of the above proposal.

For further information concerning matters to be acted upon at the Validus special meeting, you are urged to read the proxy statement on the following pages.

If you are a shareholder of record, please complete, sign, date and return the enclosed proxy in the return envelope furnished for that purpose, as promptly as possible, whether or not you plan to attend the meeting, or follow the instructions on the Validus proxy card to complete your proxy card on the Internet at the website indicated or by telephone. If you own your shares through a bank, broker, or other nominee, you will receive instructions from that institution on how to instruct them to vote your shares, including by completing a voting instruction form, or providing instructions by Internet or telephone. If you do not receive such instructions, you may contact that institution to request them. If you later desire to revoke your proxy for any reason, you may do so in the manner described in the attached proxy statement. Only shareholders of record as shown on the transfer books of Validus at the close of business on May 15, 2009 will be entitled to notice of, and to vote at, the Validus special meeting or any adjournments thereof. See *The Validus Special Meeting* beginning on page 94 in the proxy statement for more information.

By Order of the Board of Directors,

Lorraine Dean
Secretary

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PRELIMINARY PROXY STATEMENT DATED MAY 18, 2009 SUBJECT TO COMPLETION

**19 Par-La-Ville Road
Hamilton HM11
Bermuda**

**SPECIAL MEETING OF SHAREHOLDERS
PROXY STATEMENT**

This proxy statement is furnished to the holders of Validus voting common shares, \$0.175 par value per share (the Validus Shares) and, together with any non-voting common shares, \$0.175 par value per share, the common shares) in connection with the solicitation of proxies by the board of directors of Validus Holdings, Ltd. (Validus) to be voted at a special meeting of shareholders (the Validus special meeting) on , 2009, at , Atlantic time, at the registered office of Validus, located at 19 Par-La-Ville Road, Hamilton HM11, Bermuda.

Validus shareholders will be asked at the Validus special meeting:

to approve the issuance of Validus Shares (the Share Issuance) in connection with the acquisition (the Acquisition) of all of the outstanding common shares, par value \$0.01 per share (the IPC Shares) of IPC Holdings, Ltd. (IPC), pursuant to the Amalgamation Agreement (as defined below), the Exchange Offer (as defined below) and the Scheme of Arrangement (as defined below) or otherwise (the Share Issuance Proposal); and

to transact such further business, if any, as may be lawfully brought before the meeting, including to approve the adjournment of the meeting for the solicitation of additional proxies in favor of the above proposal (an Adjournment Proposal).

On March 1, 2009, IPC entered into an Agreement and Plan of Amalgamation, as amended on March 5, 2009, among Max Capital Group Ltd. (Max), IPC and IPC Limited (the Max Amalgamation Agreement) which would result in the amalgamation of Max with IPC Limited, a wholly-owned subsidiary of IPC that was formed for the purpose of the amalgamation (the Proposed Max Amalgamation).

On March 31, 2009, Validus publicly announced that it had delivered to IPC an offer to acquire each outstanding IPC Share in exchange for 1.2037 Validus Shares (the Initial Validus Offer). On May 18, 2009, Validus publicly announced that it had delivered to IPC an increased offer (the Validus Amalgamation Offer) to acquire each outstanding IPC Share in exchange for (i) 1.1234 Validus Shares and (ii) \$3.00 in cash. Validus has also delivered a proposed agreement and plan of amalgamation and an amendment thereto (as amended, the Validus Amalgamation Agreement) signed by Validus so that, upon a termination of the Max Amalgamation Agreement, IPC would have the certainty of Validus transaction and would be able to sign the Validus Amalgamation Agreement. IPC announced on April 7, 2009 that its board of directors had determined that the Initial Validus Offer did not constitute a superior proposal to the Proposed Max Amalgamation and reaffirmed its support of the Proposed Max Amalgamation. Additionally, Max has not released IPC from the prohibition in the Max Amalgamation Agreement that prevents IPC from even discussing the Validus Amalgamation Offer with Validus.

In order to consummate the Acquisition without the cooperation of IPC's board of directors, Validus is pursuing a three-part plan. First, Validus is soliciting proxies from IPC shareholders to vote against the Proposed Max Amalgamation so that IPC is able to terminate the Max Amalgamation Agreement and enter into the Validus

Amalgamation Agreement. Second, Validus has commenced an exchange offer for all of the issued and outstanding IPC Shares (the Exchange Offer) on the same economic terms as the Validus Amalgamation Offer. Third, Validus is pursuing a scheme of arrangement (the Scheme of Arrangement) under Part VII of The Companies Act of 1981 of Bermuda, as amended (the Companies Act), pursuant to which Validus would acquire all of the issued and outstanding IPC Shares on the same economic terms as in the Validus Amalgamation Offer.

Validus is soliciting proxies from holders of Validus Shares at the Validus special meeting in order to be able to issue the Validus Shares to IPC shareholders in connection with the Acquisition. The Share Issuance will become effective only if it is approved by Validus shareholders and the IPC Shares are exchanged for Validus Shares and cash, pursuant to the Acquisition. The affirmative vote of a majority of the votes cast at the Validus special meeting

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at which a quorum is present in accordance with Validus' by-laws is required to approve each matter to be acted on at the Validus special meeting, including the Adjournment Proposal.

The Validus Amalgamation Offer, the Exchange Offer and the Scheme of Arrangement are alternative methods for Validus to acquire all of the issued and outstanding IPC Shares on the same economic terms. Ultimately, only one of these transaction structures can be pursued to completion. Validus intends to seek to acquire all IPC Shares by whichever method Validus determines is most effective and efficient.

Based on Validus' and IPC's respective capitalizations as of March 31, 2009 and the exchange ratio of 1.1234, Validus estimates that former IPC shareholders would own, in the aggregate, approximately 41.3% of the issued and outstanding Validus common shares on a fully-diluted basis following closing of the Acquisition.

Shareholders of record as of the close of business on May 15, 2009 will be entitled to vote at the Validus special meeting. As of May 15, 2009, there were 59,292,513 outstanding Validus Shares entitled to vote at the Validus special meeting, and 19,771,422 Validus non-voting common shares. Each Validus Share entitles the holder of record thereof to one vote at the Validus special meeting; however, if, and for so long as, the Validus Shares of a shareholder, including any votes conferred by controlled shares (as defined below), would otherwise represent more than 9.09% of the aggregate voting power of all Validus Shares entitled to vote on a matter, the votes conferred by such Validus Shares will be reduced by whatever amount is necessary such that, after giving effect to any such reduction (and any other reductions in voting power required by Validus' by-laws), the votes conferred by such Validus Shares represent 9.09% of the aggregate voting power of all Validus Shares entitled to vote on such matter. Controlled shares include, among other things, all shares that a person is deemed to own directly, indirectly or constructively (within the meaning of Section 958 of the Internal Revenue Code of 1986 or Section 13(d)(3) of the Securities Exchange Act of 1934, as amended).

Validus knows of no specific matter to be brought before the Validus special meeting that is not referred to in the notice of the Validus special meeting. If any such matter comes before the Validus special meeting, including any shareholder proposal properly made, the proxy holders will vote proxies in accordance with their judgment.

Validus Shares are quoted on the New York Stock Exchange (the "NYSE") under the symbol "VR". The closing price of a Validus common share on the NYSE on May 15, 2009, the last practicable date prior to the filing of this proxy statement, was \$24.16. IPC Shares, which are currently quoted on the NASDAQ Global Select Market ("NASDAQ") under the symbol "IPCR" and the Bermuda Stock Exchange under the symbol "IPCR BH", would be delisted upon completion of the Acquisition. The closing price of an IPC Share on NASDAQ on May 15, 2009, the last practicable date prior to the filing of this proxy statement, was \$26.63. All references to "dollars" and "\$" in this proxy statement refer to U.S. dollars.

Validus' board of directors has adopted the Validus Amalgamation Agreement and authorized and approved the Share Issuance and deems it fair, advisable and in the best interests of Validus and its shareholders to consummate the Share Issuance, the Acquisition and the other transactions contemplated thereby. Validus' board of directors recommends that Validus shareholders vote FOR the proposals submitted to Validus shareholders on the attached Validus proxy card. All of the officers, directors and those shareholders who are qualified sponsors (as defined in this proxy statement), in each case who own Validus Shares, have indicated that they intend to vote the Validus Shares beneficially owned by them in favor of the Validus Share Issuance Proposal and the Adjournment Proposal. As of April 30, 2009, these persons and entities beneficially owned 42.4% of the voting interests relating to the Validus Shares.

This proxy statement provides Validus shareholders with detailed information about the Validus special meeting and the Acquisition. You can also obtain information from publicly available documents filed by Validus and IPC with the

SEC. Validus encourages you to read this entire document carefully, including the section entitled *Risk Factors* beginning on page 39.

Your vote is very important. Whether or not you plan to attend the Validus special meeting, please take time to vote by completing and mailing your enclosed proxy card or by following the voting instructions provided to you if you own your shares through a bank, broker or other nominee. If you do not receive such instructions, you may request them from that firm.

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Neither the Securities and Exchange Commission nor any state securities regulatory agency has approved or disapproved the Share Issuance, passed upon the merits or fairness of the Share Issuance or passed upon the adequacy or accuracy of the disclosure in this proxy statement. Any representation to the contrary is a criminal offense.

**This proxy statement is dated May , 2009
and is first being mailed to Validus shareholders on or about , 2009**

Important Notice Regarding the Availability of Proxy Materials for the Validus Special Meeting to be Held on June , 2009

The proxy statement and the related proxy materials are available free of charge on Validus website at www.validusre.bm.

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SOURCES OF ADDITIONAL INFORMATION

This proxy statement includes information, including important business and financial information, also set forth in documents filed by Validus and IPC with the SEC, and those documents include information about Validus and IPC that is not included in or delivered with this proxy statement. You can obtain any of the documents filed by Validus or IPC, as the case may be, with the SEC from the SEC or, without charge, from the SEC's website at <http://www.sec.gov>. Validus shareholders also may obtain documents filed by Validus with the SEC or documents incorporated by reference in this proxy statement free of cost, by directing a written or oral request to Validus at:

Validus Holdings, Ltd.
19 Par-La-Ville Road
Hamilton HM11
Bermuda
Attention: Jon Levenson
(441) 278-9000

If you would like to request documents, in order to ensure timely delivery, you must do so at least ten business days before the date of the meeting. This means you must request this information no later than _____, 2009.

Validus will mail properly requested documents to requesting shareholders by first class mail, or another equally prompt means, within one business day after receipt of such request.

The information concerning IPC, its business, management and operations presented or incorporated by reference in this proxy statement has been taken from, or is based upon, publicly available information on file with the SEC and other publicly available information. Although Validus has no knowledge that would indicate that statements and information relating to IPC contained or incorporated by reference in this proxy statement, in reliance upon publicly available information, are inaccurate or incomplete, to date it has not had access to the full books and records of IPC, was not involved in the preparation of such information and statements and is not in a position to verify any such information or statements.

The consolidated financial statements of IPC appearing in its annual report on Form 10-K for the year ended December 31, 2008 (including schedules appearing therein), and IPC management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2008 included therein, have been audited by an independent registered public accounting firm, as set forth in their reports thereon, included therein, and included and/or incorporated herein by reference. Validus has not obtained the authorization of IPC's independent auditors to incorporate by reference the audit reports relating to this information.

Pursuant to Rule 12b-21 under the Securities Exchange Act of 1934, as amended (the Exchange Act), Validus requested that IPC provide Validus with information required for complete disclosure regarding the businesses, operations, financial condition and management of IPC. Validus will amend or supplement this proxy statement to provide any and all information Validus receives from IPC, if Validus receives the information before the Validus special meeting and Validus considers it to be material, reliable and appropriate.

See *Where You Can Find More Information* on page 107.

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QUESTIONS AND ANSWERS ABOUT THE ACQUISITION AND THE MEETING

The following questions and answers highlight selected information from this proxy statement and may not contain all the information that is important to you. Validus encourages you to read this entire document carefully.

Q: When and where is the Validus special meeting?

A: The Validus special meeting will take place at _____, Atlantic Time, on June _____, 2009, at 19 Par-La-Ville Road, Hamilton HM11, Bermuda.

Q: What is the purpose of the Validus special meeting?

A: The purpose of the meeting is to seek Validus shareholder approval of:

the Share Issuance in connection with the Acquisition of all of the outstanding IPC Shares pursuant to the Amalgamation Agreement, the Exchange Offer, the Scheme of Arrangement or otherwise; and

to transact such further business, if any, as may be lawfully brought before the meeting, including to approve the adjournment of the meeting for the solicitation of additional proxies in favor of the above proposal.

Even if shareholders approve the Share Issuance, the Share Issuance will take effect only if and when the IPC Shares are exchanged for Validus Shares and cash pursuant to the Amalgamation Agreement, the Exchange Offer, the Scheme of Arrangement or otherwise.

Q: Why is shareholder approval of the Share Issuance required?

A: Based upon publicly available information about the number of IPC Shares outstanding as of May 8, 2009 and the proposed exchange ratio, Validus expects it would need to issue 63,474,235 Validus Shares in exchange for all outstanding IPC Shares. This number of Validus Shares will be greater than 20% of the total number of Validus Shares outstanding prior to such issuance. The listing requirements of the NYSE require that Validus shareholders approve any issuance of Validus Shares or securities convertible into or exercisable for Validus Shares if (a) the Validus Shares or other securities being issued will have voting power equal to or in excess of 20% of the voting power outstanding before such issuance or (b) the number of Validus Shares to be issued is or will be equal to or in excess of 20% of the number of Validus Shares or other securities before such issuance.

If the Share Issuance Proposal is approved by Validus shareholders, Validus will be permitted to issue Validus Shares in exchange for IPC Shares, pursuant to the Validus Amalgamation Agreement, the Exchange Offer, the Scheme of Arrangement or otherwise. Shareholders are not being asked to vote on the Acquisition and no vote of Validus shareholders is required on such matter.

Q: Why is Validus proposing the Acquisition?

A: Based on a number of factors described below under *The Acquisition Reasons Why Validus Board of Directors Recommends Approval of the Share Issuance*, Validus board of directors believes that the Acquisition represents a compelling combination and excellent strategic fit that will enable Validus to capitalize on opportunities in the global reinsurance market. Successful completion of the Acquisition would allow Validus shareholders to benefit from the superior growth potential of a combined company that would be a leading carrier in Bermuda's short-tail

reinsurance and insurance markets, with a strong balance sheet and quality diversification in profitable business lines.

Q: When do you expect the Acquisition to be completed?

A: If IPC's board of directors was to enter into the Validus Amalgamation Agreement promptly following the termination of the Max Amalgamation Agreement, Validus believes the amalgamation could be completed in mid-to-late July based on the assumption that IPC terminates the Max Amalgamation Agreement promptly following its June 12 annual general meeting, allowing approximately one month to hold a special general meeting of IPC's shareholders to obtain the required shareholder approval and to satisfy the other conditions in the Validus Amalgamation Agreement.

Validus believes that it would be able to complete the Exchange Offer in June 2009, promptly following termination of the Max Amalgamation Agreement (and subject to the satisfaction or waiver of the other conditions to the Exchange Offer), based on the following. The expiration time of the exchange offer will be June 26, 2009, unless extended. As a result, if the conditions of the Exchange Offer are satisfied or waived at the expiration time of the Exchange Offer, Validus would be able to acquire all of the IPC Shares that are validly tendered pursuant to the Exchange Offer.

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Validus believes that, under the Scheme of Arrangement, it would be able to close the Acquisition of IPC as early as mid-July based on the assumptions that: (1) the Supreme Court of Bermuda will be able to accommodate the preferred hearings schedule and meeting dates and other procedural matters; (2) IPC shareholders holding at least one-tenth of the issued shares of IPC have requisitioned a special general meeting to be held in late June or early July to approve and have IPC be bound by the Scheme of Arrangement; and (3) the IPC directors, following the rejection of the Proposed Max Amalgamation, or IPC shareholders, convene the requisitioned special general meeting, allowing it to be held by mid-July.

Q: What would IPC shareholders receive in the Acquisition?

A: Under the terms of the Validus Amalgamation Agreement, each outstanding IPC Share (including any shares held by IPC shareholders that do not vote in favor of the amalgamation, but excluding any dissenting shares as to which appraisal rights have been exercised pursuant to Bermuda law and excluding any shares held by Validus, IPC or any of their respective subsidiaries) would be cancelled and converted into the right to receive (i) 1.1234 Validus Shares and (ii) \$3.00 in cash (less any applicable withholding taxes and without interest), upon closing of the amalgamation. Under the terms of the Exchange Offer, each outstanding IPC Share that is validly tendered and not properly withdrawn before the expiration time of the Exchange Offer would be exchanged for (i) 1.1234 Validus Shares and (ii) \$3.00 in cash (less any applicable withholding taxes and without interest) upon closing of the Exchange Offer. Under the terms of the Scheme of Arrangement, each outstanding IPC Share (excluding any IPC Shares beneficially owned by Validus, IPC or any of their respective subsidiaries), would be transferred to Validus in exchange for (i) 1.1234 Validus Shares and (ii) \$3.00 in cash (less any applicable withholding taxes and without interest) upon effectiveness of the Scheme of Arrangement.

IPC shareholders would not receive any fractional Validus Shares in the Acquisition. Instead, IPC shareholders would be paid cash in lieu of the fractional share interest to which such shareholders would otherwise be entitled.

Q: What percentage of Validus Shares will the former holders of IPC Shares own after the Acquisition?

A: Based on Validus' and IPC's respective capitalizations as of March 31, 2009 and the exchange ratio of 1.1234, Validus estimates that former IPC shareholders would own, in the aggregate, approximately 41.3% of the issued and outstanding common shares of Validus on a fully-diluted basis following closing of the Acquisition.

Q: Would the Validus Amalgamation Agreement signed by IPC be the exact form attached hereto as Annex A-1, as amended by Annex A-2?

A: Validus delivered the amalgamation agreement to IPC on March 31, 2009 intending it to be executed in the exact form provided. Since then, in response to IPC's rejection of the Initial Validus Offer, Validus is proceeding with efforts to move forward with the transaction without IPC's cooperation, including by soliciting your votes to approve the issuance of Validus Shares in connection with the Acquisition. These efforts and Validus' delivery of the Validus Amalgamation Offer have necessitated certain updates to the form of Validus Amalgamation Agreement which are included in the amendment attached as Annex A-2. Validus cannot predict what other changes may become necessary due to changed circumstances or as a result of negotiations with IPC should that occur. If any changes are made to the Validus Amalgamation Agreement that Validus believes are material to Validus shareholders, Validus will supplement this proxy statement and, if necessary, resolicit proxies from its shareholders.

Q: Are Validus shareholders able to exercise appraisal rights?

A: Validus shareholders will not be entitled to exercise appraisal rights with respect to any matter to be voted upon at the Validus special meeting.

Q: Will I have preemptive rights in connection with the Share Issuance?

A: No. Validus shareholders will not be entitled to any preemptive rights in connection with the Share Issuance.

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Q: What will be the composition of the board of directors of Validus following the effectiveness of the Acquisition?

A: Upon the effectiveness of the Acquisition, Validus' board of directors would consist of the directors serving on the board of directors of Validus before the Acquisition; however, Validus has publicly expressed to the IPC directors that if they desire to participate in the leadership of Validus after the Acquisition, Validus would consider that.

Q: How will Validus be managed after the Acquisition?

A: Upon closing of the Acquisition, the officers of Validus will be the officers serving Validus before the Acquisition.

Q: What shareholder vote is required to approve the Share Issuance and the Adjournment Proposal at the Validus special meeting and how many votes must be present to hold the meeting?

A: The affirmative vote of a majority of the votes cast at the Validus special meeting, at which a quorum is present in accordance with Validus' bye-laws, is required to approve each of the Share Issuance Proposal and the Adjournment Proposal. The Share Issuance will become effective only if it is duly approved by Validus shareholders and all of the other conditions to the Acquisition are satisfied or waived and the Acquisition closes. The affirmative vote of a majority of the votes cast at the Validus special meeting is required to approve each other matter to be acted on, including any Adjournment Proposal. All of the officers, directors and those shareholders who are qualified sponsors (as defined in this proxy statement), in each case who own Validus Shares, have indicated that they intend to vote the Validus Shares beneficially owned by them in favor of the Validus Share Issuance Proposal and the Adjournment Proposal. As of April 30, 2009, these persons and entities beneficially owned 42.4% of the voting interests relating to the Validus Shares.

Abstentions and broker non-votes will be counted toward the presence of a quorum at, but will not be considered votes cast on any proposal brought before, the Validus special meeting. Because the vote required to approve the proposals is the affirmative vote of a majority of the votes cast, assuming a quorum is present, a broker non-vote with respect to any proposal to be voted on at the Validus special meeting will not have the effect of a vote for or against the relevant proposal, but will reduce the number of votes cast and therefore increase the relative influence of those shareholders voting. For the Validus special meeting, a quorum consists of two or more shareholders present in person and representing in person or by proxy in excess of 50% of the total issued Validus Shares throughout the meeting.

Q: Does Validus' board of directors recommend approval of the proposals?

A: Yes. Validus' board of directors, taking into consideration the reasons discussed under *The Acquisition - Reasons Why Validus' Board of Directors Recommends Approval of the Share Issuance*, adopted the Validus Amalgamation Agreement and authorized and approved the Share Issuance. Validus' board of directors deems it fair, advisable and in the best interests of Validus to enter into the Validus Amalgamation Agreement and to acquire all of the outstanding IPC Shares and to consummate the Share Issuance. **Validus' board of directors recommends that Validus shareholders vote FOR the matters submitted on the Validus proxy card.**

Q: Have any Validus shareholders agreed to support the proposals?

A:

All of the officers, directors and those shareholders which Validus refers to as qualified sponsors (as defined in this proxy statement), in each case who own Validus Shares, have indicated that they intend to vote the Validus Shares beneficially owned by them in favor of the Share Issuance Proposal and the Adjournment Proposal. As of April 30, 2009, these persons and entities beneficially owned 42.4% of the voting interests relating to the Validus Shares.

Q: Will any other matters be voted on at the Validus special meeting?

A: Validus knows of no specific matter to be brought before the Validus special meeting that is not referred to in the notice of the Validus special meeting. If any such matter comes before the Validus special meeting, the proxy holders will vote proxies in accordance with their judgment.

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Q: What is the record date for the Validus special meeting?

A: Only shareholders of record, as shown by the transfer books of Validus at the close of business on May 15, 2009 (the Validus record date) are entitled to receive notice of and to vote at the Validus special meeting or any adjournment thereof.

Q: How many votes do I have and how many votes can be cast by all Validus shareholders?

A: Shareholders of record as of the close of business on May 15, 2009 will be entitled to vote at the Validus special meeting. As of May 15, 2009, there were 59,292,513 outstanding Validus Shares entitled to vote at the Validus special meeting, and 19,771,422 non-voting common shares.

Q: What do I need to do now?

A: Validus urges you to read carefully this proxy statement, including its annexes, schedules and the documents incorporated by reference herein. You also may want to review the documents referenced under *Where You Can Find More Information* on page 107 and consult with your accounting, legal and tax advisors. Once you have considered all relevant information, Validus encourages you to fill in and return the attached proxy card (if you are a shareholder of record) or voting instruction form you receive from your bank, broker or other nominee (if you hold your Validus Shares in street name).

Q: How can I vote my shares in person at the Validus special meeting?

A: If your Validus Shares are registered directly in your name as of the record date with the transfer agent, Bank of New York Mellon, you are considered the shareholder of record with respect to those shares, and the proxy materials and proxy card are being sent directly to you. As the shareholder of record, you have the right to vote in person at the meeting. If you choose to do so, you can bring the enclosed proxy card. Most shareholders of Validus hold their shares through a bank, broker or other nominee (that is, in street name) rather than directly in their own name. If you hold your shares in street name, you are a beneficial holder, and the proxy materials are being forwarded to you by your bank, broker or other nominee together with a voting instruction form. Because a beneficial holder is not the shareholder of record, you may not vote these shares in person at the meeting unless you have previously either arranged for the Validus Shares to be transferred of record into your name by the record date for the Validus special meeting or secured a valid proxy or power of attorney from the bank, broker or other nominee that holds your shares as of the record date for the Validus special meeting (and who has received a valid proxy or power of attorney from the shareholder of record pursuant to a legal proxy with a power of subdelegation from the shareholder of record as of the record date). Even if you plan to attend the Validus special meeting, we recommend that you vote your shares in advance as described below so that your vote will be counted if you later decide not to attend the Validus special meeting.

Q: How can I vote my shares without attending the Validus special meeting?

A: If you are the shareholder of record, you may direct your vote without attending the Validus special meeting by completing and mailing your proxy card in the enclosed pre-paid envelope. In addition, if you are the shareholder of record, you may grant a proxy to vote your shares at the Validus special meeting by telephone by calling **866-367-5524** and following the simple recorded instructions, twenty-four hours a day, seven days a week, at any time prior to 11:59 p.m., Eastern Time, on the day prior to the Validus special meeting. Alternatively, as a shareholder of record, you may vote via the Internet at any time prior to 11:59 p.m., Eastern Time, on the day prior to the Validus special meeting by going to <http://proxy.georgeson.com>, entering the company number and

control number on your proxy card and following the instructions to submit an electronic proxy. If you vote by telephone or the Internet, you will be required to provide the control number contained on your proxy card. If you hold your Validus Shares in street name you should complete and return the voting instruction form you receive from your bank, broker or other nominee in accordance with the instructions you receive from your bank, broker or other nominee. Your voting instruction form may contain instructions from your bank, broker or other nominee that allow you to vote your shares using the Internet or by telephone. Please consult with your bank, broker or other nominee if you have any questions regarding the voting of shares held in street name.

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Q: What do I need for admission to the Validus special meeting?

A: You are entitled to attend the Validus special meeting only if you are (i) a shareholder of record or (ii) a beneficial owner or other person holding a valid proxy from the bank, broker or other nominee that holds your shares (and who has received a legal proxy, with a power of subdelegation, from the shareholder of record as of the record date). If you are the shareholder of record, your name will be verified against the list of shareholders of record prior to your admittance to the Validus special meeting. You should be prepared to present photo identification for admission. If you hold your shares in street name and would like to be admitted to the meeting, you will need to provide a valid proxy from the bank, broker or other nominee that holds your shares (and who has received a legal proxy, with a power of subdelegation, from the shareholder of record as of the record date) and proof of beneficial ownership on the record date, such as a brokerage account statement showing that you owned Validus Shares as of the record date, a copy of the voting instruction form provided by your bank, broker or other nominee, or other similar evidence of ownership as of the record date, as well as your photo identification. If you do not comply with the procedures outlined above, you may not be admitted to the Validus special meeting.

Q: If my shares are held in a brokerage account or in street name, will my broker vote my shares for me?

A: If you own your shares through a bank, broker or other nominee, you will receive instructions from that institution on how to instruct them to vote your shares, including by completing a voting instruction form, or providing instructions by Internet or telephone. If you do not receive such instructions, you may contact that institution to request them. In accordance with NYSE rules, banks, brokers and other nominees who hold Validus Shares in street-name for customers may not exercise their voting discretion with respect to the Share Issuance. Accordingly, if you do not provide your bank, broker or other nominee with instructions on how to vote your street name shares, your bank, broker or other nominee will not be permitted to vote them at the Validus special meeting, resulting in a broker non-vote.

A broker non-vote with respect to the Validus special meeting will not be considered as a vote cast with respect to any matter presented at the Validus special meeting, but will be counted for purposes of establishing a quorum, *provided* that your bank, broker or nominee is in attendance in person or by proxy. Because the vote required to approve the proposals is the affirmative vote of a majority of the votes cast, assuming a quorum is present, a broker non-vote with respect to any proposal to be voted on at the Validus special meeting will not have the effect of a vote for or against the relevant proposal, but will reduce the number of votes cast and therefore increase the relative influence of those shareholders voting.

Because your bank, broker or other nominee will not have discretionary authority to vote your shares, you must provide your bank, broker or other nominee with instructions on how to vote your shares or arrange to attend the Validus special meeting and vote your shares in person if you want your shares to be voted and to avoid a broker non-vote.

Q: What effect do abstentions and broker non-votes have on the proposals?

A: Abstentions and broker non-votes will be counted toward the presence of a quorum at, but will not be considered votes cast on any proposal brought before the Validus special meeting. Because the vote required to approve the proposals is the affirmative vote of a majority of the votes cast, assuming a quorum is present, a broker non-vote with respect to any proposal to be voted on at the Validus special meeting will not have the effect of a vote for or against the relevant proposal, but will reduce the number of votes cast and therefore increase the relative influence of those shareholders voting. See also *The Validus Special Meeting – Record Date and Shares Entitled*

to Vote.

Q: How will my shares be voted if I sign and return a proxy card or voting instruction form without specifying how to vote my shares?

A: If you sign and return a proxy card or voting instruction form without giving specific voting instructions, your shares will be voted **FOR** the Share Issuance Proposal and **FOR** the Adjournment Proposal and as the persons named as proxies may determine in their discretion with respect to any other matters properly presented for a vote before the Validus special meeting.

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Q: What do I do if I want to change my vote or revoke my proxy?

A: You may change your vote or revoke your proxy at any time before your proxy is voted at the Validus special meeting. If you are a shareholder of record, you may change your vote or revoke your proxy by: (1) delivering to Validus (Attention: General Counsel) at 19 Par-La-Ville Road, Hamilton, HM11, Bermuda, a written notice of revocation of your proxy; (2) delivering to Validus an authorized proxy bearing a later date (including a proxy by telephone or over the Internet); or (3) attending the Validus special meeting and voting in person as described above under the question entitled *How can I vote my shares at the Validus special meeting?* Attendance at the Validus special meeting in and of itself, without voting in person at the Validus special meeting, will not cause your previously granted proxy to be revoked. For shares you hold in street name, you should follow the instructions of your bank, broker or other nominee or, if you have obtained a valid proxy from the bank, broker or other nominee that holds your shares (and who has received a legal proxy, with a power of subdelegation, from the shareholder of record as of the record date) giving you the right to vote your shares at the Validus special meeting, by attending the Validus special meeting and voting in person.

Q: Who can I contact with any additional questions?

If you have additional questions about the Acquisition, if you would like additional copies of this proxy statement, or if you need assistance voting your Validus Shares, you should contact Georgeson Inc. (Georgeson) at:

Georgeson Inc.
199 Water Street,
26th Floor
New York, New York 10038
Banks and Brokerage Firms Please Call: (212) 440-9800
All Others Please Call Toll Free: (888) 274-5146
E-mail inquiries: validus@georgeson.com

Q: Where can I find more information about the companies?

A: You can find more information about Validus and IPC in the documents described under *Where You Can Find More Information* >CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (see instructions)

o	11
PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)	
Less than 1%	
TYPE OF REPORTING PERSON (see instructions)	12
CO	

CUSIP No. 70932B101

1 NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Andrew Goldman

2 CHECK THE APPROPRIATE BOX IF A MEMBER (a)
OF A GROUP (see instructions) (b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

US Citizen

5 SOLE VOTING POWER

0

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH:

6 SHARED VOTING POWER
827,797

7 SOLE DISPOSITIVE POWER

0

8 SHARED DISPOSITIVE POWER
827,797

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
827,797

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN
SHARES (see instructions)

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

3.8 %

12 TYPE OF REPORTING PERSON (see instructions)

IN

Item 1(a). Name of Issuer:

PennyMac Financial Services, Inc. (the "Issuer")

Item 1(b). Address of Issuer's Principal Executive Offices:

6101 Condor Drive
Moorpark, CA 93021

Item 2(a). Name of Person Filing:

This Schedule 13G is filed on behalf of each of the following persons (collectively, the "Reporting Persons"):

Seven Locks Capital Management, L.P.
Seven Locks Capital, L.L.C.
Seven Locks Enhanced GP Holdings, L.L.C.
Seven Locks Enhanced Master Fund, L.P.
Seven Locks GP Holdings, L.L.C.
Seven Locks Master Fund, L.P.
Crown/Seven Locks Segregated Portfolio
Andrew Goldman

This Schedule 13G relates to the shares of class A common stock of the Issuer (the "Shares") held for the accounts of Seven Locks Enhanced Master Fund, L.P. ("SVLE"), Seven Locks Master Fund, L.P. ("SVLK"), and Crown/Seven Locks Segregated Portfolio ("LGT"). Seven Locks Capital Management, L.P. ("SLCM") is the investment manager of SVLE and SVLK and therefore retains voting control and dispositive power of the shares owned by each. Seven Locks Enhanced GP Holdings, L.L.C. ("SVLEGP"), is the general partner of SVLE. Seven Locks GP Holdings, L.L.C. ("SVLKGP") is the general partner of SVLK. SLCM is a trading advisor for LGT. Seven Locks Capital, L.L.C. ("SLC") is the managing member of SVLEGP and SVLKGP. Andrew Goldman is the managing member and majority owner of SLC.

Item 2(b). Address of Principal Business Office or, if none, Residence:

The address of the principal business office of each of the Reporting Persons is:
c/o Seven Locks Capital Management, L.P.
237 Park Avenue
9th Floor
New York, NY 10017

Item 2(c). Citizenship:

Seven Locks Capital Management, L.P. – Delaware, United States
Seven Locks Capital, L.L.C. – Delaware, United States
Seven Locks Enhanced GP Holdings, L.L.C. – Delaware, United States
Seven Locks Enhanced Master Fund, L.P. – Cayman Islands
Seven Locks GP Holdings, L.L.C. – Delaware, United States
Seven Locks Master Fund, L.P. – Cayman Islands
Crown/Seven Locks Segregated Portfolio – Cayman Islands
Andrew Goldman – New York, United States

Item 2(d). Title of Class of Securities:

Class A Common Stock, \$0.0001 par value (the "Shares")

Item 2(e). CUSIP Number:
70932B101

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Item 3. If this Statement is filed pursuant to 240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

- (a) Broker or dealer registered under Section 15 of the Act;
- (b) Bank as defined in Section 3(a)(6) of the Act;
- (c) Insurance company as defined in Section 3(a)(19) of the Act;
- (d) Investment company registered under Section 8 of the Investment Company Act of 1940;
- (e) An investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E);
- (f) An employee benefit plan or endowment fund in accordance with Rule 13d-1(b)(1)(ii)(F);
- (g) A parent holding company or control person in accordance with Rule 13d-1(b)(1)(ii)(G);
- (h) A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940;
- (j) A non-U.S. institution in accordance with Rule 240.13d-1(b)(1)(ii)(J);
- (k) Group, in accordance with Rule 240.13d-1(b)(1)(ii)(K). If filing as a non-U.S. institution in accordance with Rule 240.13d-1(b)(1)(ii)(J), please specify the type of institution:

Item Ownership.

4.

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

(a) Amount Beneficially Owned:

As of December 31, 2015, each of the Reporting Persons may be deemed the beneficial owner of 827,797 Shares representing 3.8% of the Shares outstanding as of November 4, 2015. 626,001 Shares are held for the account of SVLE representing 2.9% of the Shares outstanding as of November 14, 2015. 38,549 Shares are held for the account of SVLK representing less than 1% of the Shares outstanding as of November 4, 2015. 163,247 Shares are held for the account of LGT representing less than 1% of the Shares outstanding as of November 4, 2015.

(b) Percent of Class:

3.8% (based on 21,886,868 Shares outstanding as of November 4, 2015, as reported by the Issuer in its quarterly report on Form 10-Q filed November 6, 2015)

(c) Number of shares as to which such person has:

(i) sole power to vote or to direct the vote:

0

- (ii) shared power to vote or to direct the vote:
827,797
- (iii) sole power to dispose or to direct the disposition of:
0
- (iv) shared power to dispose or to direct the disposition of:
827,797

Item 5. Ownership of Five Percent or Less of a Class.

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following x.

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

See disclosure in Items 2 and 4 hereof.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company.

See disclosure in Item 2 hereof.

Item 8. Identification and Classification of Members of the Group.

Not applicable.

Item 9. Notice of Dissolution of Group.

Not applicable.

Item 10. Certification.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of and do not have the effect of changing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having such purpose or effect for the time being.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: February 16, 2016

SEVEN LOCKS CAPITAL, L.L.C.

By: /s/Andrew Goldman
Andrew Goldman, Authorized Signatory

SEVEN LOCKS CAPITAL MANAGEMENT, L.P.

By: /s/Andrew Goldman
Andrew Goldman, Authorized Signatory

SEVEN LOCKS ENHANCED GP HOLDINGS, L.L.C.

By: /s/Andrew Goldman
Andrew Goldman, Authorized Signatory

SEVEN LOCKS ENHANCED MASTER FUND, L.P.

By: /s/Andrew Goldman_____

Andrew Goldman, Authorized Signatory

SEVEN LOCKS GP HOLDINGS, L.L.C.

By: /s/Andrew Goldman
Andrew Goldman, Authorized Signatory

SEVEN LOCKS MASTER FUND, L.P.

By: /s/Andrew Goldman
Andrew Goldman, Authorized Signatory

CROWN/SEVEN LOCKS SEGREGATED PORTFOLIO

By: /s/Andrew Goldman
Andrew Goldman, Authorized Signatory

ANDREW GOLDMAN

By: /s/Andrew Goldman

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EXHIBIT INDEX

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A	Joint Filing Agreement

JOINT FILING AGREEMENT

The undersigned hereby agree that the statement on Schedule 13G with respect to the Class A Common Stock of PennyMac Financial Services, Inc. dated as of February 16, 2016, is, and any amendments thereto signed by each of the undersigned shall be, filed on behalf of each of us pursuant to and in accordance with the provisions of Rule 13d-1(k) under the Securities Exchange Act of 1934, as amended.

Dated: February 16, 2016

SEVEN LOCKS CAPITAL, L.L.C.

By: /s/Andrew Goldman
Andrew Goldman, Authorized Signatory

SEVEN LOCKS CAPITAL MANAGEMENT, L.P.

By: /s/Andrew Goldman
Andrew Goldman, Authorized Signatory

SEVEN LOCKS ENHANCED GP HOLDINGS, L.L.C.

By: /s/Andrew Goldman
Andrew Goldman, Authorized Signatory

SEVEN LOCKS ENHANCED MASTER FUND, L.P.

By: /s/Andrew Goldman
Andrew Goldman, Authorized Signatory

SEVEN LOCKS GP HOLDINGS, L.L.C.

By: /s/Andrew Goldman
Andrew Goldman, Authorized Signatory

SEVEN LOCKS MASTER FUND, L.P.

By: /s/Andrew Goldman
Andrew Goldman, Authorized Signatory

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CROWN/SEVEN LOCKS SEGREGATED PORTFOLIO

By: /s/Andrew Goldman
Andrew Goldman, Authorized Signatory

ANDREW GOLDMAN

By: /s/Andrew Goldman

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