

MBIA INC
Form 4
August 07, 2013

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 *
LEE KEWSONG

(Last) (First) (Middle)

**C/O WARBURG PINCUS LLC, 450
LEXINGTON AVENUE**

(Street)

NEW YORK, NY 10017

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
MBIA INC [MBI]

3. Date of Earliest Transaction
(Month/Day/Year)
08/05/2013

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)

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 \$1.00 per share (?Common Stock?)				(A) or (D)	Price		
			Code	V	Amount		
						134,928	D
Common Stock	08/05/2013		D		\$ 536,375	D	
					13.54	73,452,685	I

See footnote (1) (2) (3) (4) (5) (6) (7)

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Warburg Pincus Private Equity X, L.P., a Delaware limited partnership ("WP X") and Warburg Pincus X Partners, L.P., a Delaware limited partnership ("WP X Partners" and, together with WP X, the "WP X Funds"), are the holders of (a) 45,622,877 shares of Common Stock, par value \$1.00 per share ("Common Stock") of MBIA, Inc. (the "Issuer"), and (b) warrants exercisable for 27,829,808 shares of Common Stock of the Issuer. Warrant balance reflects issuance of the New Warrant and anti-dilution adjustments to the Original Warrants. See footnotes (5), (6) and (7).

- (2) Warburg Pincus X, L.P., a Delaware limited partnership ("WP X LP"), is the general partner of the WP X Funds. Warburg Pincus X LLC, a Delaware limited liability company ("WP X LLC") is the general partner of WP X LP. Warburg Pincus Partners LLC, a New York limited liability company ("WPP LLC") is the sole member of WP X LLC. Warburg Pincus & Co., a New York general partnership ("WP") is the managing member of WPP LLC, Warburg Pincus LLC, a New York limited liability company ("WP LLC") manages the WP X Funds. Charles R. Kaye and Joseph P. Landy, each a Managing General Partner of WP and a Co-President and Managing Member of WP LLC. Messrs. Kaye and Landy may be deemed to control the WP X Funds, WP X LP, WP X LLC, WPP LLC, WP and WP LLC.

- (3) Pursuant to Rule 16a-1(a)(4) of the Securities Exchange Act of 1934, as amended, Mr. Kewsong Lee, herein states that this filing shall not be deemed an admission that he is the beneficial owner of any of the shares of Common Stock held by the WP X Funds or of any of the warrants exercisable for Common Stock held by the WP X Funds. Mr. Lee disclaims beneficial ownership of such Common Stock and such warrants exercisable for Common Stock, except to the extent of his pecuniary interest in such shares of Common Stock and in such warrants exercisable for Common Stock.

- (4) The 73,452,685 shares beneficially owned indirectly includes shares of Common Stock beneficially owned by the WP X Funds as well as shares of Common Stock underlying the warrants exercisable for Common Stock reported in Table II beneficially owned by the WP X Funds.

- (5) On August 5, 2013, the Issuer issued a warrant (the "New Warrant") to WP X pursuant to the Investment and Settlement Agreement and Waiver and Release, dated August 5, 2013 (the "Agreement"), between WP X, the Issuer and, solely for purposes of Section 1.3 of the Agreement, WP X Partners. The total purchase price for the New Warrant of \$8,386,730.63 was reduced by a Cash Settlement payment of \$1,124,212.81 owed by the Issuer to WP X pursuant to the Agreement. The net consideration of \$7,262,517.82 was paid by surrendering to the Issuer 536,375 shares of Issuer's Common Stock owned by certain Reporting Persons based on a per share valuation of \$13.54. The New Warrant is subject to adjustments for certain issuances of common stock, stock splits, stock subdivisions, stock reclassifications, stock combinations, other distributions, business combinations and similar actions.

- (6) Issuer's issuance of a warrant to Blue Ridge Investments, L.L.C. on May 6, 2013 under the settlement agreement with Bank of America Corporation triggered certain anti-dilution adjustments under terms of WP X's (1) Warrant, dated as of January 30, 2008, originally exercisable for 8,698,920 shares of Common Stock at an original exercise price of \$40.00 per share (the "Warrant"), (2) B-Warrant, dated as of January 30, 2008, originally exercisable for 7,430,112 shares of Common Stock at an original exercise price of \$40.00 per share (the "B-Warrant"), (3) B2-Warrant, dated as of February 6, 2008, originally exercisable for 3,870,000 shares of Common Stock at an original exercise price of \$16.20 per share ("B2-Warrant 1"), and (4) B2-Warrant, dated as of February 6, 2008, originally exercisable for 130,000 shares of Common Stock at an original exercise price of \$16.20 per share ("B2-Warrant 2" and, together with the Warrant, the B-Warrant and the B-2 Warrant 1, the "Original Warrants").

- (7) (Continuation from footnote 6) Each Original Warrant is subject to adjustments for certain issuances of common stock, stock splits, stock subdivisions, stock reclassifications, stock combinations, other distributions, certain repurchases, business combinations and similar actions. These anti-dilution adjustments are being voluntarily reported; no transaction has taken place with respect to the Original Warrants. As a result of the anti-dilution adjustments, (a) the Warrant is now exercisable for 11,819,185 shares at an exercise price of \$29.44 per share, (b) the B-Warrant is now exercisable for 10,095,261 shares at an exercise price of \$29.44 per share, (c) the B2-Warrant 1 is now exercisable for 3,874,784 shares at an exercise price of \$16.18 per share, and (d) the B2-Warrant 2 is now exercisable for 130,161 shares at an exercise price of \$16.18 per share. Each of the Original Warrants is currently exercisable.

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