

Kehoe Michael P
 Form 4
 December 11, 2007

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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 *
 Kehoe Michael P

2. Issuer Name and Ticker or Trading Symbol
 JAMES RIVER GROUP, INC
 [JRVR]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
 300 MEADOWMONT VILLAGE
 CIRCLE, SUITE 333
 (Street)

3. Date of Earliest Transaction
 (Month/Day/Year)
 12/11/2007

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 Pres & CEO- James River Mgt Co

CHAPEL HILL, NC 27517

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

(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 Ownership (Instr. 4) |
|--|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | Code V | Amount | (A) or (D) | Price |
| Common Stock, par value \$0.01 per share | 12/11/2007 | | D | 64,777 | D | \$ 34.50 | (1) |

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

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SEC 1474
 (9-02)

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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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title Amount of Number of Shares |
| Options to purchase common stock | \$ 10 | 12/11/2007 | | D | 243,630 | <u>(2)</u> 05/14/2013 | Common Stock 243,630 |
| Options to purchase common stock | \$ 18 | 12/11/2007 | | D | 20,000 | <u>(3)</u> 08/07/2015 | Common Stock 20,000 |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Kehoe Michael P
300 MEADOWMONT VILLAGE CIRCLE
SUITE 333
CHAPEL HILL, NC 27517

Pres & CEO- James River Mgt Co

Signatures

/s/ E. Caperton Lauer,
Attorney-in-Fact

12/11/2007

**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).

On November 6, 2007, the Company's stockholders approved the Agreement and Plan of Merger, dated as of June 11, 2007, among the issuer, Franklin Holdings (Bermuda), Ltd. and Franklin Acquisition Corp. (the merger agreement). Pursuant to the merger agreement, the issuer was acquired by Franklin Holdings (Bermuda), Ltd., effective December 11, 2007 (the merger). Subsequent to the closing of the

- (1) merger, the issuer's common stock ceased to be publicly traded and its registration was terminated with the SEC and NASDAQ. Pursuant to the terms of the merger agreement, each option to purchase shares of the issuer's common stock, whether vested or unvested, was cancelled in exchange for either a cash payment or for options in Franklin Holdings II (Bermuda), Ltd. (a private company and wholly-owned subsidiary of Franklin Holdings (Bermuda), Ltd.).
- (2) This option provided for vesting in four equal annual installments beginning 5/15/03. The right to purchase 10,000 shares pursuant to this option was cancelled in connection with the merger in exchange for an option to purchase common stock in Franklin Holdings II

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(Bermuda), Ltd., pursuant to an agreement between the reporting person and Franklin Holdings (Bermuda), Ltd. such new option having the same value as the portion of the option cancelled in exchange therefor. The right to purchase the remaining 233,630 shares covered by this option was cancelled pursuant to which the reporting person is entitled to receive a cash payment equal to the difference between \$34.50 and the strike price of the underlying option multiplied by the number of options cancelled in connection with the merger, without interest, and less any required withholding taxes. Reflects 10-for-1 common stock split effective 8/08/2005.

- (3) This option, which provided for vesting in four equal annual installments beginning 8/08/2005, was cancelled in accordance with the merger agreement pursuant to which the reporting person is entitled to receive a cash payment equal to the difference between \$34.50 and the strike price of the underlying option multiplied by the number of options cancelled in connection with the merger, without interest, and less any required withholding taxes.

Remarks:

Ms. E. Caperton Lauver was granted power of attorney to sign this Form 4 on behalf of Mr. Kehoe.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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