

FREY MICHAEL J  
Form 3  
January 05, 2011

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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 *		2. Date of Event Requiring Statement	3. Issuer Name <b>and</b> Ticker or Trading Symbol	
Â GLOBAL CAPITAL MANAGEMENT INC/MN		(Month/Day/Year)	PRIMUS GUARANTY LTD [PRS]	
(Last)	(First)	(Middle)	4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
601 CARLSON PARKWAY,Â SUITE 200			(Check all applicable)	
(Street)			<input type="checkbox"/> Director	<input checked="" type="checkbox"/> 10% Owner
MINNETONKA,Â MNÂ 55305			<input type="checkbox"/> Officer	<input type="checkbox"/> Other
(City)	(State)	(Zip)	(give title below) (specify below)	
			6. Individual or Joint/Group Filing(Check Applicable Line)	
			<input type="checkbox"/> Form filed by One Reporting Person	
			<input checked="" type="checkbox"/> Form filed by More than One Reporting Person	

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Shares, \$0.08 par value per share	3,678,071	I (1) (3)	See Footnotes (1) (3)
Common Shares, \$0.08 par value per share	7,587,929	I (2) (3)	See Footnotes (2) (3)

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

SEC 1473 (7-02)

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security	4. Conversion or Exercise	5. Ownership Form of	6. Nature of Indirect Beneficial Ownership (Instr. 5)
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Date Exercisable	Expiration Date	(Instr. 4) Title	Amount or Number of Shares	Price of Derivative Security	Derivative Security: Direct (D) or Indirect (I) (Instr. 5)
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## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GLOBAL CAPITAL MANAGEMENT INC/MN 601 CARLSON PARKWAY SUITE 200 MINNETONKA, MN 55305	^	^ X	^	^
Lydiard Partners III, LLC 601 CARLSON PARKWAY SUITE 200 MINNETONKA, MN 55305	^	^ X	^	^
FREY MICHAEL J 601 CARLSON PARKWAY SUITE 200 MINNETONKA, MN 55305	^	^ X	^	^
EBF & ASSOCIATES L P 601 CARLSON PARKWAY SUITE 200 MINNETONKA, MN 55305	^	^ X	^	^

## Signatures

EBF & ASSOCIATES L P, By: GLOBAL CAPITAL MANAGEMENT, INC., General Partner, By: /s/ Michael J. Frey, Chairman and Chief Executive Officer	01/05/2011
Signature of Reporting Person	Date
GLOBAL CAPITAL MANAGEMENT, INC., By: /s/ Michael J. Frey, Chairman and Chief Executive Officer	01/05/2011
Signature of Reporting Person	Date
LYDIARD PARTNERS III, LLC, By: /s/ Michael J. Frey, Chairman and Chief Executive Officer	01/05/2011
Signature of Reporting Person	Date
/s/ Michael J. Frey	01/05/2011
Signature of Reporting Person	Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 5(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)

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These shares of the Issuer's common shares, \$0.08 par value per share ("Shares"), are held for the account of Merced Partners Limited Partnership ("First MP"). These Shares may be deemed to be indirectly beneficially owned by the following, each of whom is a Reporting Person: Global Capital Management, Inc. ("GCM"), a co-general partner of First MP and the general partner of EBF & Associates, L.P. ("EBF"); EBF, the investment adviser to and a co-general partner of First MP; and Michael J. Frey, the majority owner of EBF and the majority owner, Chairman and Chief Executive Officer of GCM.

- These Shares are held for the account of Merced Partners III (Cayman), L.P. ("Second MP"). These Shares may be deemed to be indirectly beneficially owned by the following, each of whom is a Reporting Person: GCM, the general partner of EBF; EBF, the investment adviser to Second MP; Lydiard Partners III, LLC ("Lydiard"), the sole owner of Lydiard Partners III (Cayman) LLC, which is the general partner of Second MP; and Michael J. Frey, the majority owner of EBF and the majority owner, Chairman and Chief Executive Officer of GCM.
- (2)

- Each Reporting Person disclaims beneficial ownership of the Shares except to the extent of his or its pecuniary interest therein, and this report shall not be deemed an admission that such Reporting Person is the beneficial owner of the Shares for purposes of Section 16 of the Securities Exchange Act of 1934, or for any other purpose.
- (3)

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.