

Live Oak Bancshares, Inc.
Form 4
February 01, 2017

FORM 4

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

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
SUTHERLAND JOHN W.

(Last) (First) (Middle)

1741 TIBURON DRIVE

(Street)

WILMINGTON, NC 28403

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
Live Oak Bancshares, Inc. [LOB]

3. Date of Earliest Transaction
(Month/Day/Year)
01/30/2017

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

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

Chief Accounting Officer

6. Individual or Joint/Group Filing(Check
Applicable Line)
__X__ 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)		
			Code	V	Amount (A) or (D)	Price			
Voting Common Stock	01/30/2017		M		81	A	<u>11</u>	34,381	D

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

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information contained in this form are not
required to respond unless the form
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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

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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)	8. Amount of Underlying Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Restricted Stock Units	(1)	01/30/2017		M	81	(2)	(2)	Voting Common Stock	81
Performance Restricted Stock Units	(3)					(3)	11/30/2023	Voting Common Stock	25,000
Employee Stock Option (right to buy)	\$ 10.634					(4)	09/19/2024	Voting Common Stock	18,000
Employee Stock Option (right to buy)	\$ 17					(5)	07/22/2025	Voting Common Stock	12,000

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
SUTHERLAND JOHN W. 1741 TIBURON DRIVE WILMINGTON, NC 28403	Chief Accounting Officer

Signatures

/s/ Jonathan A. Greene, by Power of Attorney
02/01/2017

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).
- (1) Each restricted stock unit represents a right to receive one share of Live Oak Bancshares voting common stock.
- (2) The restricted stock units vest in three equal annual installments beginning on January 30, 2016.
- (3) Each performance restricted stock unit ("RSU") represents a contingent right to receive one share of Live Oak Bancshares, Inc. (the "Company") voting common stock. The vesting of the performance RSUs under this award is subject to the Company achieving total

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revenue of at least \$100 million for the period from October 1, 2016 through September 30, 2017. In addition, in order for the RSUs to vest, the Company's voting common stock must attain a closing price equal to or greater than \$34.00 per share for at least twenty (20) consecutive trading days at any time prior to November 30, 2023.

The shares subject to this option vest and become exercisable yearly in seven installments beginning on September 19, 2015, as follows:

- (4) 10% of the shares subject to the option vest on each of September 19, 2015, 2016, 2017, 2018, and 2019; and 25% of the shares subject to the option vest on each of September 19, 2020 and 2021.

The shares subject to this option vest and become exercisable yearly in seven installments beginning on July 22, 2016, as follows: 10% of

- (5) the shares subject to the option vest on each of July 22, 2016, 2017, 2018, 2019, and 2020; and 25% of the shares subject to the option vest on each of July 22, 2021 and 2022.

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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