

Live Oak Bancshares, Inc.
 Form 5
 February 12, 2016

FORM 5

**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).
 Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL 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

1. Name and Address of Reporting Person *
Smits Steve
 (Last) (First) (Middle)

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

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

1741 TIBURON DRIVE
 (Street)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
12/31/2015

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Chief Credit Officer

WILMINGTON, NC 28403

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

6. Individual or Joint/Group Reporting
 (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 at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
Voting Common Stock				(A) or (D) Price	60,000	D	

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

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

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the option vest on each of March 26, 2020 and 2021.

The shares subject to this option vest and become exercisable yearly in seven installments beginning on February 20, 2016, as follows:

(2) 10% of the shares subject to the option vest on each of February 20, 2016, 2017, 2018, 2019, and 2020; and 25% of the shares subject to the option vest on each of February 20, 2021 and 2022.

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

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Remarks:

Footnote 2 has been updated to reflect a seven-year vesting schedule for the employee stock option.

Note: File three copies of this Form, one of which must be manually signed. If space provided 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.