

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

**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 \*  
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  
 Officer (give title below) \_\_\_ Other (specify below)  
Chief Accounting Officer

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| Voting Common Stock             | 01/30/2017                           |  | M                              | 81 A  | 34,381  | D  |                                   |

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

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SEC 1474 (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 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.<br>1741 TIBURON DRIVE<br>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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