

Live Oak Bancshares, Inc.  
Form 4  
March 25, 2016

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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 \*  
Underwood Neil Lawrence

(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)  
03/23/2016

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)  
President

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             |                                      |  |                                | (A) or (D) Price  | 1,000,010   | D  |                                   |
| Voting Common Stock             |                                      |  |                                | (A) or (D) Price  | 50,000  | I  | By spouse                         |

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

**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.**

SEC 1474 (9-02)

Edgar Filing: Live Oak Bancshares, Inc. - Form 4

**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 Security (Instr. 3 and 4) |                     |                         |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|---------------------|-------------------------|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title               | Amount Number of Shares |
| Performance Restricted Stock Units         | (1)  | 03/23/2016                           |  | A                              | 435,000   | (1)  | (1)   | Voting Common Stock | 435,000                 |
| Performance Restricted Stock Units         | (2)  | 03/23/2016                           |  | A                              | 600,000   | (2)  | 03/23/2023  | Voting Common Stock | 600,000                 |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |           |       |
|---|---------------|-----------|-----------|-------|
|   | Director      | 10% Owner | Officer   | Other |
| Underwood Neil Lawrence<br>1741 TIBURON DRIVE<br>WILMINGTON, NC 28403 | X             |           | President |       |

## Signatures

/s/ Jonathan A. Greene, by Power of Attorney  
03/25/2016

\*\*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).

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 is subject to the Company achieving total revenue of at least \$100 million for fiscal year 2016 which will be determined promptly after the end of the performance period and no later than April 30,

(1) 2017. In the event the Company does not meet this performance criterion, all of the RSUs will be forfeited. The vesting of the RSUs is subject to the approval by the Company's shareholders of certain amendments to the Company's 2015 Omnibus Stock Incentive Plan (the "Plan") at the annual meeting of the Company's shareholders scheduled for May 2016. In the event that such amendments are not approved by the shareholders, then the RSUs will be canceled.

The vesting of the performance RSUs under this award is subject to the Company achieving total revenue of at least \$100 million for fiscal year 2016. 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 March 23, 2023. The vesting of the RSUs is subject to the approval by the Company's shareholders of certain amendments to the Plan at the annual meeting of the Company's shareholders scheduled for May 2016. In the event that such amendments are not approved by the shareholders, then the RSUs will be canceled.

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

## Edgar Filing: Live Oak Bancshares, Inc. - Form 4

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.