

SUTHERLAND JOHN W.
Form 4
August 14, 2018

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.

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
1741 TIBURON DRIVE
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
08/10/2018

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

WILMINGTON, NC 28403

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

6. Individual or Joint/Group Filing(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 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 | 34,462 | 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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| Performance Restricted Stock Units | (1) | 08/10/2018 | | A | 40,000 | (1) 08/10/2025 | Voting Common Stock 40,000 |
| Performance Restricted Stock Units | (2) | | | | | (2) 11/30/2023 | Voting Common Stock 25,000 |
| Performance Restricted Stock Units | (3) | | | | | (3) 01/31/2024 | Voting Common Stock 2,689 |
| 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

08/14/2018

__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 performance RSU represents a contingent right to receive one share of (the Company) voting common stock. A portion of the RSUs will vest if the Company's voting common stock attains various closing prices for at least twenty consecutive trading days at any time prior to August 10, 2025, in accordance with the following: 2.5% of the RSUs will vest upon the attainment of closing stock prices of \$35.00 per share, \$40.00 per share, \$45.00 per share, and \$50.00 per share, and 90% of the RSUs will vest upon the

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attainment of a closing stock price of \$55.00 per share.

- (2) Each performance RSU represents a contingent right to receive one share of the Company's voting common stock. The vesting of the performance RSUs under this award is subject to the Company achieving total 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.

- (3) Each performance RSU represents a contingent right to receive one share of the Company's voting common stock. The vesting of the performance RSUs under this award is subject to the Company achieving total revenue of at least \$100 million for the period from January 1, 2017 through December 31, 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 \$38.00 per share for at least twenty (20) consecutive trading days at any time prior to January 31, 2024.

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

- (5) 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.

Remarks:

The performance RSUs granted on March 21, 2018 that represented a contingent right to receive one share of the Company's v

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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