

Discovery Holding CO
Form 4
September 18, 2008

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 *
FLOWERS DAVID J A

(Last) (First) (Middle)

12300 LIBERTY BLVD.

(Street)

ENGLEWOOD, CO 80112

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol

Discovery Holding CO [DISCA]

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

09/17/2008

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 ____ Other (specify
below) below)

Senior Vice President

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)
Series A Common Stock	09/17/2008		D	25,914	D	0	D
Series A Common Stock	09/17/2008		D	1,224 (2)	D	0	I

By
401(k) Savings
Plan

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

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SEC 1474
(9-02)

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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 Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Stock Option (right to buy)	\$ 17.54	09/17/2008		D	147,686	<u>(3)</u> 02/28/2011	Series A Common Stock 147,686
Stock Option (right to buy)	\$ 13	09/17/2008		D	20,000	<u>(3)</u> 07/31/2013	Series A Common Stock 20,000
Stock Option (right to buy)	\$ 11.84	09/17/2008		D	25,000	<u>(5)</u> 08/06/2014	Series A Common Stock 25,000

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
FLOWERS DAVID J A 12300 LIBERTY BLVD. ENGLEWOOD, CO 80112	Senior Vice President

Signatures

/s/ Charles Y. Tanabe,
Attorney-in-fact

09/18/2008

__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) On September 17, 2008, the Issuer merged (the "Merger") with and into a wholly owned subsidiary of a new public holding company ("New Discovery"), which was a wholly owned subsidiary of the Issuer prior to the Merger. In the Merger, the Reporting Person disposed of each share of the Issuer's Series A common stock held at the time of the Merger in exchange for 0.50 of a share of Series A common stock of New Discovery plus 0.50 of a share of Series C common stock of New Discovery.

(2) The number of shares represents equivalent shares based on the fair market value of the shares of the Issuer's Series A common stock held by a unitized stock fund under the Liberty Media Corporation 401(k) Savings Plan based on a report from the Plan Administrator dated August 29, 2008. The Reporting Person has an interest in the unitized fund, which holds shares of the Issuer's Series A common stock and

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short-term investments.

- (3) The option was 100% vested.

In the Merger, the Reporting Person disposed of the option in exchange for a stock appreciation right relating to shares of New Discovery

- (4) Series A common stock and a stock appreciation right relating to shares of New Discovery Series C common stock, in each case, at base prices to be calculated as described in the proxy statement/prospectus filed by the Issuer with the SEC on August 6, 2008.

- (5) The option provided for vesting as to 20% of the total number of shares on each August 6th, beginning August 6, 2005.

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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