

Discovery Holding CO  
Form 4  
May 16, 2007

**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 \*  
MALONE JOHN C

(Last) (First) (Middle)  
12300 LIBERTY BLVD.  
(Street)

ENGLEWOOD, CO 80112

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
Discovery Holding CO [DISC]

3. Date of Earliest Transaction  
(Month/Day/Year)  
05/16/2007

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)  
CEO, Chairman of the Board

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)
			Code	V	Amount or Price		
Series A Common Stock	05/16/2007		S		300	D	\$ 22.63 1,533,312 <sup>(1)</sup> <sub>(2) (3)</sub> D
Series A Common Stock	05/16/2007		S		600	D	\$ 22.64 1,532,712 D
Series A Common Stock	05/16/2007		S		1,400	D	\$ 22.65 1,531,312 D
Series A Common	05/16/2007		S		5,000	D	\$ 22.66 1,526,312 D

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Stock							
Series A Common Stock	05/16/2007	S	3,000	D	\$ 22.67	1,523,312	D
Series A Common Stock	05/16/2007	S	2,697	D	\$ 22.68	1,520,615	D
Series A Common Stock	05/16/2007	S	803	D	\$ 22.69	1,519,812	D
Series A Common Stock	05/16/2007	S	3,900	D	\$ 22.7	1,515,912	D
Series A Common Stock	05/16/2007	S	2,257	D	\$ 22.71	1,513,655	D
Series A Common Stock	05/16/2007	S	3,517	D	\$ 22.72	1,510,138	D
Series A Common Stock	05/16/2007	S	185,422	D	\$ 22.73	1,324,716	D
Series A Common Stock	05/16/2007	S	11,056	D	\$ 22.74	1,313,660	D
Series A Common Stock	05/16/2007	S	2,006	D	\$ 22.75	1,311,654	D
Series A Common Stock	05/16/2007	S	5,200	D	\$ 22.76	1,306,454	D
Series A Common Stock	05/16/2007	S	2,258	D	\$ 22.77	1,304,196	D
Series A Common Stock	05/16/2007	S	1,100	D	\$ 22.78	1,303,096	D
Series A Common Stock	05/16/2007	S	1,584	D	\$ 22.79	1,301,512	D
Series A Common Stock	05/16/2007	S	3,700	D	\$ 22.8	1,297,812	D

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Series A Common Stock	05/16/2007		S	2,500	D	\$ 22.81	1,295,312	D	
Series A Common Stock	05/16/2007		S	1,200	D	\$ 22.82	1,294,112	D	
Series A Common Stock	05/16/2007		S	300	D	\$ 22.83	1,293,812	D	
Series A Common Stock	05/16/2007		S	200	D	\$ 22.85	1,293,612	D	
Series A Common Stock							1,636,399 <sup>(1)</sup> <u>(2) (3)</u>	I	By Trust
Series A Common Stock							375,103 <sup>(1)</sup> <u>(2) (3) (4)</u>	I	By Spouse
Series A Common Stock							330 <sup>(5)</sup>	I	By Trust
Series A Common Stock							85,251 <sup>(6)</sup>	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)

**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)	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Benef Own Follo Repo Trans (Instr
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MALONE JOHN C 12300 LIBERTY BLVD. ENGLEWOOD, CO 80112	X	X	CEO, Chairman of the Board	

## Signatures

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

05/16/2007

\_\_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 30, 2005, a charitable remainder trust (the "Trust") of which the Reporting Person is the sole trustee and, with his spouse, retains a unitrust interest in the Trust, distributed 76,071 shares of the Issuer's Series A Common Stock and 7,933 shares of the Issuer's Series B Common Stock to the Reporting Person and 84,508 shares of the Issuer's Series A Common Stock to the Reporting Person's spouse.
  - (2) On December 29, 2005, the Trust distributed 79,305 shares of the Issuer's Series A common stock to each of the Reporting Person and his spouse.
  - (3) On March 30, 2007, the Trust distributed 24,403 shares of the Issuer's Series A common stock to the Reporting Person and 60,786 shares of the Issuer's Series A Common Stock to the Reporting Person's spouse.
  - (4) The Reporting Person disclaims beneficial ownership of these shares which are owned by his spouse.
  - (5) The Reporting Person is the sole trustee of and, with his spouse, retains a unitrust interest in the trust.
- 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 the unitized stock fund under the LMC 401(k) Savings Plan based on a report from the Plan Administrator dated April 30, 2007.
- (6) The Reporting Person has an interest in the unitized fund, which holds shares of the Issuer's Series A Common Stock and short-term investments.

### Remarks:

The trading symbols for the Issuer's Series A and Series B Common Stock are, respectively, DISCA and DISCB.

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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