

GOULD PAUL A
Form 4
September 18, 2008

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 *
GOULD PAUL 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
 Officer (give title below) Other (specify below)

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) | Price | | |
| Series A Common Stock | 09/17/2008 | | D | 225,871 | D | 0 | D |
| Series B Common Stock | 09/17/2008 | | D | 174,634 | D | 0 | 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)

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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) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Stock Option (right to buy) | \$ 14.07 | 09/17/2008 | | D | 1,100 | <u>(2)</u> 09/09/2013 | Series A Common Stock | 1,100 |
| Stock Option (right to buy) | \$ 121.64 | 09/17/2008 | | D | 875 | <u>(2)</u> 12/05/2013 | Series A Common Stock | 875 |
| Stock Option (right to buy) | \$ 12.88 | 09/17/2008 | | D | 1,100 | <u>(2)</u> 06/01/2014 | Series A Common Stock | 1,100 |
| Stock Option (right to buy) | \$ 14.52 | 09/17/2008 | | D | 1,100 | <u>(2)</u> 06/01/2015 | Series A Common Stock | 1,100 |
| Stock Option (right to buy) | \$ 14.48 | 09/17/2008 | | D | 10,000 | <u>(2)</u> 05/04/2016 | Series A Common Stock | 10,000 |
| Stock Option (right to buy) | \$ 22.9 | 09/17/2008 | | D | 10,000 | <u>(2)</u> 05/16/2017 | Series A Common Stock | 10,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| GOULD PAUL A 12300 LIBERTY BLVD. ENGLEWOOD, CO 80112 | | X | | |

Signatures

/s/ Paul A.
Gould

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).

- 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 and Series B common stock held at the time of the Merger in exchange for 0.50 of a share of the same series of common stock of New Discovery plus 0.50 of a share of Series C common stock of New Discovery.
- (1) The option was 100% vested.
In the Merger, the Reporting Person disposed of the option in exchange for an option to purchase shares of New Discovery Series A common stock and an option to purchase shares of New Discovery Series C common stock, in each case, at exercise prices to be calculated as described in the proxy statement/prospectus filed by the Issuer with the SEC on August 6, 2008.
 - (2)
 - (3)

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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