

LIONS GATE ENTERTAINMENT CORP /CN/

Form 4

February 13, 2017

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

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(Print or Type Responses)

1. Name and Address of Reporting Person *
Discovery Communications, Inc.

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

LIONS GATE ENTERTAINMENT
CORP /CN/ [LGF]

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)

ONE DISCOVERY PLACE,

(Street)

SILVER SPRING, MD 20910

(City) (State) (Zip)

3. Date of Earliest Transaction
(Month/Day/Year)
02/10/2017

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

____ Director ____X____ 10% Owner
____ Officer (give title ____X____ Other (specify
below) below)

See Remarks

6. Individual or Joint/Group Filing(Check
Applicable Line)
____ Form filed by One Reporting Person
____X____ 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)
			Code	V	Amount	(A) or (D)	Price			
Common Shares	02/10/2017		J ⁽¹⁾	V	5,000,000	D	<u>1</u>	0	I ⁽²⁾	By subsidiary
Class A Voting Shares	02/10/2017		J ⁽¹⁾	V	2,500,000	A	<u>1</u>	2,500,000	I ⁽²⁾	By subsidiary
Class B Non-Voting Shares	02/10/2017		J ⁽¹⁾	V	2,500,000	A	<u>1</u>	2,500,000	I ⁽²⁾	By subsidiary

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

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(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 (Month/Day/Year)			
				Code	V	(A)	(D)	Date Exercisable	Expiration D
Call option (obligation to sell)	\$ 52.677	02/10/2017		J/K ⁽³⁾⁽⁴⁾	V	2,500,000		<u>(3)(4)(5)(6)(7)</u>	<u>(3)(4)(5)</u>
Call option (obligation to sell)	\$ 52.677	02/10/2017		J/K ⁽³⁾⁽⁴⁾	V	2,500,000 ₍₄₎		<u>(3)(4)(5)(6)(7)(8)(9)</u>	<u>(3)(4)(5)(6)</u>
Put option (right to sell)	\$ 33.167	02/10/2017		J/K ⁽³⁾⁽⁴⁾	V	2,500,000		<u>(3)(4)(5)(6)(7)(8)(9)</u>	<u>(3)(4)(5)(6)</u>
Put option (right to sell)	\$ 33.167	02/10/2017		J/K ⁽³⁾⁽⁴⁾	V	2,500,000 ₍₄₎		<u>(3)(4)(5)(6)(7)(8)(9)</u>	<u>(3)(4)(5)(6)</u>

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Discovery Communications, Inc. ONE DISCOVERY PLACE SILVER SPRING, MD 20910		X		See Remarks
Discovery Lightning Investments LTD 566 CHISWICK HIGH ROAD, DISCOVERY HOUSE CHISWICK PARK BUILDING 2 LONDON, X0 W4 5YB		X		See Remarks

Signatures

Discovery Communications, Inc.; By: /s/ David M. Zaslav, President and Chief Executive Officer

02/13/2017

__Signature of Reporting Person

Date

Discovery Lightning Investments Limited; By: /s/ Roanne Weekes, Director

02/13/2017

__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) Pursuant to a reclassification exempt under Rule 16b-7 (the "Reclassification"), each common share, no par value (the "Common Shares"), was reclassified into 0.5 Class A voting shares, no par value (the "Class A Voting Shares"), and 0.5 Class B non-voting shares, no par value (the "Class B Non-Voting Shares").
- (2) The shares are held directly by Discovery Lightning Investments Limited, an indirect wholly-owned subsidiary of Discovery Communications, Inc.
- (3) As reported on a previously filed Form 4, on November 12, 2015, Discovery Lightning Investments Limited ("Discovery"), a wholly-owned subsidiary of Discovery Communications Inc., entered into a Collar Transaction (the "Transaction") with an unaffiliated bank (the "Bank"), pursuant to which Discovery wrote covered call options and purchased put options over an aggregate of 2,500,000 Common Shares.
- (4) In connection with the Reclassification, pursuant to a notice dated February 10, 2017 given by the Bank, the terms of the Transaction were adjusted in a transaction exempt under Rule 16b-7 to reflect the Reclassification, with no changes to the economic rights and obligations of either Discovery or the Bank. As adjusted, the Transaction relates to 2,500,000 units, each consisting of 0.5 Class A Voting Shares and 0.5 Class B Non-Voting Shares, for an aggregate of 1,250,000 Class A Voting Shares and 1,250,000 Class B Non-Voting Shares.
- (5) The Transaction continues to be divided into three individual tranches (each a "Tranche") with each Tranche divided into 25 individual components (each a "Component"); the expiration dates of the options included in the Components constituting Tranche 1 are the 25 trading days from July 25, 2019 through August 28, 2019, inclusive; the expiration dates of the options included in the Components constituting Tranche 2 are the 25 trading days from October 23, 2020 through November 30, 2020, inclusive; and the expiration dates of the Components constituting Tranche 3 are the 25 trading days from January 25, 2022 through March 1, 2022, inclusive.
- (6) Each Component relates to 16,667 Class A Voting Shares and 16,667 Class B Non-Voting Shares (or, in the case of the options included in the Components having the final expiration date for each Tranche, 16,658.5 Class A Voting Shares and 16,658.5 Class B Non-Voting Shares) in the case of Tranche 1 and Tranche 2 and 16,659 Class A Voting Shares and 16,659 Class B Non-Voting Shares in the case of Tranche 3).
- (7) On the relevant expiration date for each Component: the call option will automatically be exercised if the Settlement Price is greater than \$52.677 (the "Call Strike Price"); the put option will automatically be exercised if the Reference price is less than or equal to \$33.167 (the "Put Strike Price"); and the call right and the put right will expire unexercised if the Reference Price is greater than the Put Strike Price but less than the Call Strike Price.
- (8) The "Settlement Price" means the sum of (i) the volume weighted average trading price of a Class A Voting Share multiplied by 0.5 and (ii) the volume weighted average trading price of a Class B Non-Voting Share multiplied by 0.5, in each case on the expiration date for the relevant Component. The options will be settled in cash unless Discovery elects physical settlement. As reported on a previously filed Form 4, in exchange for the Bank's entering into the Transaction, Discovery paid the Bank a premium of \$3,599,595 and pledged 2,500,000 Common Shares of the Issuer to the Bank to secure its obligations under the Transaction.
- (9) In connection with the Reclassification, the Pledged Shares were replaced with 1,250,000 Class A Voting Shares and 1,250,000 Class B Non-Voting Shares (the "Pledged Shares"). In most circumstances, Discovery retains voting rights in the Pledged Shares during the term of the pledge, but Discovery is obligated to share with the Bank the economic benefit of any dividends paid during the term of the pledge based on a formula that takes into account a theoretical hedging position by the Bank.

Remarks:

As a result of certain agreements among the Reporting Persons, the Issuer and certain other shareholders of the Issuer, the Rep

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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