

Discovery Holding CO
Form 4
September 26, 2007

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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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 *
SHEAN CHRISTOPHER W

(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)
09/25/2007

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)
Senior Vice President

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V | Amount | (D) | Price |
| Series A Common Stock | 09/25/2007 | | M | | 28,204 | A | \$ 17.54 |
| | | | | | 28,360 | | |
| Series A Common Stock | 09/25/2007 | | M | | 5,641 | A | \$ 17.54 |
| | | | | | 34,001 | | |
| Series A Common Stock | 09/25/2007 | | M | | 20,000 | A | \$ 13 |
| | | | | | 54,001 | | |
| Series A Common | 09/25/2007 | | M | | 15,000 | A | \$ 11.84 |
| | | | | | 69,001 | | |

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Stock

Series A
Common Stock 09/25/2007 S 68,845 D \$ 27.1766 156 D

Series A
Common Stock 595 ⁽¹⁾ 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. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Stock Option (right to buy) | \$ 17.54 | 09/25/2007 | | M | 28,204 | ⁽²⁾ 09/21/2010 | Series A Common Stock | 28,204 |
| Stock Option (right to buy) | \$ 17.54 | 09/25/2007 | | M | 5,641 | ⁽³⁾ 02/28/2011 | Series A Common Stock | 5,641 |
| Stock Option (right to buy) | \$ 13 | 09/25/2007 | | M | 20,000 | ⁽⁴⁾ 07/31/2013 | Series A Common Stock | 20,000 |
| Stock Option (right to buy) | \$ 11.84 | 09/25/2007 | | M | 15,000 | ⁽⁵⁾ 08/06/2014 | Series A Common Stock | 15,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-----------------------|-------|
| | Director | 10% Owner | Officer | Other |
| SHEAN CHRISTOPHER W 12300 LIBERTY BLVD. ENGLEWOOD, CO 80112 | | | Senior Vice President | |

Signatures

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

09/26/2007

__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).

- 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 Liberty Media Corporation 401(k) Savings Plan based on a report from the Plan Administrator dated as of August 31, 2007. 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.
- (1) The option vested as to 20% on September 21, 2001, 2002, 2003, 2004 and 2005.
 - (2) The option vested as to 25% on February 28, 2003, 2004, 2005, and 2006.
 - (3) The option vests as to 20% on July 31, 2004, 2005, 2006, 2007, and 2008.
 - (4) The option vests as to 20% on August 6, 2005, 2006, 2007, 2008 and 2009.

Remarks:

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

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.