

MOLSON COORS BREWING CO
Form 4
December 10, 2013

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 *
Molson Eric Herbert

2. Issuer Name and Ticker or Trading Symbol
MOLSON COORS BREWING CO
[TAP]

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)

(Last) (First) (Middle)
3A-1485 SHERBROOKE STREET
(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
12/09/2013

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

MONTREAL, A8 H3G 0A3
(City) (State) (Zip)

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

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		
				Code	V	Amount	

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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or	6. Date Exercisable and Expiration Date (Month/Day/Year)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	Code	Disposed of (D) (Instr. 3, 4, and 5)			Date Exercisable	Expiration Date
				V	(A)	(D)		
Forward Contract (right to sell)	<u>(1) (2) (3)</u> <u>(4) (5) (6)</u> <u>(7)</u>	12/09/2013	J/K <u>(1)(2)(3)(4)(5)(6)(7)</u>			400,000	12/09/2013	12/09/20
Forward Contract (right to sell)	<u>(8) (9) (10)</u> <u>(11) (12)</u> <u>(13)</u>	12/09/2013	J/K <u>(8)(9)(10)(11)(12)(13)</u>		400,000		12/04/2018	12/04/20

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Molson Eric Herbert 3A-1485 SHERBROOKE STREET MONTREAL, A8 H3G 0A3			X	

Signatures

/s/ Eric Herbert
Molson

12/10/2013

__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 November 19, 2008, 4198832 Canada Inc. ("4198832"), a subsidiary of Lincolnshire Holdings Ltd. ("Lincolnshire"), entered into an OTC forward contract and a related confirmation, supplemented by a notice dated November 20, 2008, that provided the price terms of the contract (collectively, the "Forward") with an unaffiliated third party buyer ("Buyer") as part of a monetization transaction (the "Transaction"). Lincolnshire is owned by the reporting person. As part of the Transaction, an affiliate of Buyer ("Bank") made a zero coupon loan to 4198832 in the principal amount of US\$12,756,000 (the "Loan") that is payable in cash at the settlement of the Forward.

(2) 4198832's obligations under the Loan are secured by a senior pledge to Bank of 400,000 Class B exchangeable shares of Molson Coors Canada Inc. ("Exchangeable Shares"), a subsidiary of Molson Coors Brewing Company ("Molson Coors"), and 4198832's rights under the Forward. 4198832's obligations under the Forward are secured by a subordinate pledge to Buyer of 400,000 Exchangeable Shares. The Exchangeable Shares are exchangeable at the option of the holder for shares of Class B common stock of Molson Coors ("Class B Shares") on a one-for-one basis. Under the pledges, 4198832 may exchange the Exchangeable Shares for a like number of Class B Shares obtained in exchange for Exchangeable Shares, which will become subject to the pledges (any shares subject to the pledges, the "Pledged Shares"). 4198832 retained voting rights in the Pledged Shares and the right to any dividends or distributions paid in cash on the Pledged Shares in any year, up to \$0.80 per share.

(3) The purchase date of the Forward was December 9, 2013 (the "Purchase Date"), and settlement of the Forward will occur on December 12, 2013. The Forward provides for cash settlement but permits 4198832 to elect to switch from cash settlement to settling the Forward by delivering 400,000 Class B Shares to Buyer (and, depending upon the availability of certain exemptions from the prospectus requirements under Canadian securities laws, to elect to switch from physical settlement to cash settlement, and vice versa). Any such election must be made at least a specified number of days prior to the Purchase Date, which depends on whether the Pledged Shares comprise Exchangeable Shares or Class B Shares and on certain Canadian securities law considerations.

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(4) Under the Forward, the "Relevant Price" equals the average of the volume-weighted average per share price of the Class B Shares for each of the five trading days immediately preceding the Purchase Date, and the "Forward Price" will equal the Relevant Price, subject to a cap price of \$56.74 ("Cap Price") and a floor price of \$40.07 ("Floor Price"). Accordingly, (i) if the Relevant Price is greater than or equal to the Cap Price, the Forward Price will be equal to the Cap Price, (ii) if the Relevant Price is less than or equal to the Floor Price, the Forward Price will be equal to the Floor Price, and (iii) if the Relevant Price is between the Floor Price and the Cap Price, the Forward Price will be equal to the Relevant Price.

(5) The Forward Price is subject further to downward adjustment by the amount of any cash dividends or cash distributions per Pledged Share in excess of \$0.80 per year and the value of any dividends or distributions on the Pledged Shares made other than in cash.

(6) Under cash settlement of the Forward: (i) if the Relevant Price is greater than the Forward Price, 4198832 will pay Buyer an amount equal to the difference between the Relevant Price and the Forward Price, multiplied by 400,000; (ii) if the Relevant Price is less than the Forward Price, Buyer will pay 4198832 an amount equal to the difference between the Forward Price and the Relevant Price, multiplied by 400,000; and (iii) if the Relevant Price is equal to the Forward Price, no payment will be due from either party, and the Forward will terminate. If the Forward is settled by physical delivery, 4198832 will deliver 400,000 Class B Shares to Buyer, and Buyer will pay 4198832 an amount equal to 400,000 multiplied by the Forward Price.

(7) In accordance with the provisions of the Forward described in footnote 4, above, the Relevant Price was determined to be \$53.8997, which, because it was between the Floor Price and the Cap Price and thus equal to the Forward Price, will result in the Forward terminating on December 12, 2013 without any payment or delivery being made by either party.

(8) On December 4, 2013, 4198832 entered into an OTC forward contract and a related confirmation, supplemented by a notice dated December 9, 2013, that provided the price terms of the contract (collectively, the "2013 Forward") with Buyer as part of a monetization transaction (the "2013 Transaction"). As part of the 2013 Transaction, Bank has agreed to make a zero coupon loan to 4198832 in the principal amount of US\$15,444,000 (the "2013 Loan") that is payable in cash at the settlement of the 2013 Forward. 4198832's obligations under the 2013 Loan will be secured by a senior pledge to Bank of 400,000 Exchangeable Shares and 4198832's rights under the 2013 Forward.

(9) 4198832's obligations under the 2013 Forward are secured by a subordinate pledge to Buyer of 400,000 Exchangeable Shares. The Exchangeable Shares are exchangeable at the option of the holder for Class B Shares on a one-for-one basis. Under the pledges, 4198832 may exchange the Exchangeable Shares for a like number of Class B Shares obtained in exchange for Exchangeable Shares, which will become subject to the pledges (any shares subject to the pledges, the "2013 Pledged Shares"). 4198832 retained voting rights in the 2013 Pledged Shares and the right to any dividends or distributions paid in cash on the 2013 Pledged Shares in any year, up to \$1.28 per share.

(10) The purchase date of the 2013 Forward is December 4, 2018 (the "2018 Purchase Date"), and settlement of the 2013 Forward will occur three business days after the 2018 Purchase Date. The 2013 Forward provides for cash settlement. However, 4198832 may elect to switch from cash settlement to settling the 2013 Forward by delivering 400,000 Class B Shares to Buyer (and, depending upon the availability of certain exemptions from the prospectus requirements under Canadian securities laws, elect to switch from physical settlement to cash settlement, and vice versa). Any such election must be made at least a specified number of days prior to the 2018 Purchase Date, which depends on whether the 2013 Pledged Shares comprise Exchangeable Shares or Class B Shares and on certain Canadian securities law considerations.

(11) Under the 2013 Forward, the relevant price (the "2013 Relevant Price") will equal the average of the volume-weighted average per share price of the Class B Shares for each of the five trading days immediately preceding the 2018 Purchase Date, and the forward price (the "2013 Forward Price") will equal the 2013 Relevant Price, subject to a cap price of \$62.47 ("2013 Cap Price") and a floor price of \$48.31 ("2013 Floor Price"). Accordingly, (i) if the 2013 Relevant Price is greater than or equal to the 2013 Cap Price, the 2013 Forward Price will be equal to the 2013 Cap Price, (ii) if the 2013 Relevant Price is less than or equal to the 2013 Floor Price, the 2013 Forward Price will be equal to the 2013 Floor Price, and (iii) if the 2013 Relevant Price is between the 2013 Floor Price and the 2013 Cap Price, the 2013 Forward Price will be equal to the 2013 Relevant Price.

(12) The 2013 Forward Price is subject further to downward adjustment by the value of any dividends or distributions on the 2013 Pledged Shares made other than in cash.

(13) Under cash settlement of the 2013 Forward: (i) if the 2013 Relevant Price is greater than the 2013 Forward Price, 4198832 will pay Buyer an amount equal to the difference between the 2013 Relevant Price and the 2013 Forward Price, multiplied by 400,000; (ii) if the 2013 Relevant Price is less than the 2013 Forward Price, Buyer will pay 4198832 an amount equal to the difference between the 2013 Forward Price and the 2013 Relevant Price, multiplied by 400,000; and (iii) if the 2013 Relevant Price is equal to the 2013 Forward Price, no payment will be due from either party, and the 2013 Forward will terminate. If the 2013 Forward is settled by physical delivery, 4198832 will deliver 400,000 Class B Shares to Buyer, and Buyer will pay 4198832 an amount equal to 400,000 multiplied by the 2013 Forward Price.

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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