

WARGO J DAVID  
Form 4  
September 18, 2008

**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 \*  
**WARGO J DAVID**

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

3. Date of Earliest Transaction (Month/Day/Year)  
**09/17/2008**

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

**ENGLEWOOD, CO 80112**  
  
(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)
Series A Common Stock	09/17/2008		D	6,164	D 0	D	

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

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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)	\$ 57.62	09/17/2008		D	1,048	(2) 11/23/2008	Series A Common Stock	1,048
Stock Option (right to buy)	\$ 14.48	09/17/2008		D	10,000	(2) 05/04/2016	Series A Common Stock	10,000
Stock Option (right to buy)	\$ 22.9	09/17/2008		D	10,000	(2) 05/16/2017	Series A Common Stock	10,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WARGO J DAVID 12300 LIBERTY BLVD. ENGLEWOOD, CO 80112		X		

## Signatures

/s/ J. David  
Wargo  
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).
- (1) 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 held at the time of the Merger in exchange for 0.50 of a share of Series A common stock of New Discovery plus 0.50 of a share of Series C common stock of New Discovery.
- (2) The option was 100% vested.
- (3) 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

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calculated as described in the proxy statement/prospectus filed by the Issuer with the SEC on August 6, 2008.

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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