

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**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>Seward Gregory W</u>  (Last) (First) (Middle) 1741 TIBURON DRIVE  (Street) WILMINGTON NC 28403  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>Live Oak Bancshares, Inc. [ LOB ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)  Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>General Counsel</u>
	3. Date of Earliest Transaction (Month/Day/Year) 12/12/2018	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

**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			
Voting Common Stock	12/12/2018		P		188	A	\$14.954	10,188	D	
Voting Common Stock	12/13/2018		P		958	A	\$15.2525 <sup>(1)</sup>	11,146	D	
Voting Common Stock	12/14/2018		P		854	A	\$16.0388	12,000	D	

**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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date					
Performance Restricted Stock Units	(2)							(2)	08/10/2025	Voting Common Stock	40,000	40,000	D	
Performance Restricted Stock Units	(3)							(3)	11/30/2023	Voting Common Stock	25,000	25,000	D	
Performance Restricted Stock Units	(4)							(4)	01/31/2024	Voting Common Stock	2,636	2,636	D	
Performance Restricted Stock Units	(5)							(5)	08/07/2024	Voting Common Stock	50,000	50,000	D	
Employee Stock Option (right to buy)	\$14.55							(6)	11/19/2025	Voting Common Stock	30,000	30,000	D	

**Explanation of Responses:**

1. This transaction was executed in multiple trades at prices ranging from \$15.249 to \$15.255. The price reported in Column 4 is a weighted average price. The reporting person hereby undertakes to provide upon request to the SEC staff, the Issuer or a security holder of the Issuer full information regarding the number of shares and prices at which the trades were effected.

2. Each performance restricted stock unit ("RSU") represents a contingent right to receive one share of Live Oak Bancshares, Inc. (the "Company") voting common stock. A portion of the RSUs will vest if the Company's voting common stock attains various closing prices for at least twenty consecutive trading days at any time prior to August 10, 2025, in accordance with the following: 2.5% of the RSUs will vest upon the attainment of closing stock prices of \$35.00 per share, \$40.00 per share, \$45.00 per share, and \$50.00 per share, and 90% of the RSUs will vest upon the attainment of a closing stock price of \$55.00 per share.

3. Each performance RSU represents a contingent right to receive one share of the Company's voting common stock. The vesting of the performance RSUs under this award is subject to the Company achieving total revenue of at least \$100 million for the period from October 1, 2016 through September 30, 2017. In addition, in order for the RSUs to vest, the Company's voting common stock must attain a closing price equal to or greater than \$34.00 per share for at least twenty (20) consecutive trading days at any time prior to November 30, 2023.
4. Each performance RSU represents a contingent right to receive one share of the Company's voting common stock. The vesting of the performance RSUs under this award is subject to the Company achieving total revenue of at least \$100 million for the period from January 1, 2017 through December 31, 2017. In addition, in order for the RSUs to vest, the Company's voting common stock must attain a closing price equal to or greater than \$38.00 per share for at least twenty (20) consecutive trading days at any time prior to January 31, 2024.
5. Each performance RSU represents a contingent right to receive one share of the Company's voting common stock. The vesting of the performance RSUs under this award is subject to the Company achieving total revenue of at least \$100 million for the period from July 1, 2017 through June 30, 2018. In addition, in order for the RSUs to vest, the Company's voting common stock must attain a closing price equal to or greater than \$38.00 per share for at least twenty (20) consecutive trading days at any time prior to August 7, 2024.
6. The shares subject to this option vest and become exercisable yearly in seven installments beginning on November 19, 2016, as follows: 10% of the shares subject to the option vest on each of November 19, 2016, 2017, 2018, 2019, and 2020; and 25% of the shares subject to the option vest on each of November 19, 2021 and 2022.

**Remarks:**

/s/ Jonathan A. Greene, by                      12/14/2018  
Power of Attorney

\*\* Signature of Reporting Person      Date

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

\* 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).

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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