

Discovery Holding CO
Form 8-K
May 09, 2006

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 8-K**

CURRENT REPORT

Pursuant to Section 13 or 15(d)

of the Securities Exchange Act of 1934

Date of Report (date of earliest event reported): **May 4, 2006**

DISCOVERY HOLDING COMPANY

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

000-51205

(Commission
File Number)

20-2471174

(I.R.S. Employer
Identification No.)

12300 Liberty Blvd.

Englewood, Colorado 80112

(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: **(720) 875-4000**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement

On May 4, 2006, the Board of Directors of Discovery Holding Company approved a grant of 10,000 options to purchase shares of Discovery's Series A common stock to each member of the Board who is not an employee of Discovery (each, a nonemployee director). The options were granted under the Discovery Holding Company 2005 Nonemployee Director Incentive Plan and have a per share exercise price of \$14.48, which was the closing price of Discovery's Series A common stock on the grant date. The options vest (i) on the one year anniversary of the grant date, provided that the grantee serves as a nonemployee director on such anniversary, or (ii) upon the earlier termination of the grantee's service as a nonemployee director by reason of death or disability. The options have a term of 10 years, subject to early termination in the event the grantee is terminated as a nonemployee director for cause and certain other specified exceptions.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 9, 2006

DISCOVERY HOLDING COMPANY

By: /s/ Christopher W. Shean

Name: Christopher W. Shean

Title: Senior Vice President
and Controller