

MELTON CAROL A
Form 4
June 18, 2018

FORM 4

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

OMB APPROVAL

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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 *
MELTON CAROL A

(Last) (First) (Middle)

ONE TIME WARNER CENTER

(Street)

NEW YORK, NY 10019

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
WARNER MEDIA, LLC [TWX]

3. Date of Earliest Transaction
(Month/Day/Year)
06/14/2018

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)
Executive Vice President

6. Individual or Joint/Group Filing(Check Applicable Line)
X 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 | (A) or (D) | Price |
| Common Stock, Par Value \$.01 | 06/14/2018 | | D ⁽¹⁾ | | 82,318 | D | <u>1</u> 0 |
| Common Stock, Par Value \$.01 | 06/14/2018 | | J ⁽¹⁾ | | 400 | D | <u>1</u> 0 |
| Common Stock, Par Value \$.01 | 06/14/2018 | | D ⁽¹⁾ | | 2,846 | D | <u>1</u> 0 |
| Common Stock, Par Value \$.01 | 06/14/2018 | | D ⁽¹⁾ | | 3,601.767 | D | <u>1</u> 0 |

By Savings Plan ⁽²⁾
By Spouse ⁽³⁾
By Spouse's

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Value \$.01

401(k)
Plan ⁽⁴⁾

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

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(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 Underlying Security (Instr. 3 and 4) | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title |
| Employee Stock Options (Right to Buy) | \$ 25.81 | 06/14/2018 | | D ⁽¹⁾ | | 13,570 | ⁽⁵⁾ 02/07/2020 | Common Stock, Par Value \$.01 |
| Employee Stock Options (Right to Buy) | \$ 34.62 | 06/14/2018 | | D ⁽¹⁾ | | 18,452 | ⁽⁵⁾ 02/06/2021 | Common Stock, Par Value \$.01 |
| Employee Stock Options (Right to Buy) | \$ 35.93 | 06/14/2018 | | D ⁽¹⁾ | | 21,850 | ⁽⁵⁾ 02/14/2022 | Common Stock, Par Value \$.01 |
| Employee Stock Options (Right to Buy) | \$ 51.31 | 06/14/2018 | | D ⁽¹⁾ | | 20,120 | ⁽⁵⁾ 02/14/2023 | Common Stock, Par Value \$.01 |
| Employee Stock Options (Right to Buy) | \$ 62.6 | 06/14/2018 | | D ⁽¹⁾ | | 16,750 | ⁽⁵⁾ 02/14/2024 | Common Stock, Par Value \$.01 |
| | \$ 67.84 | 06/14/2018 | | D ⁽¹⁾ | | 4,451 | ⁽⁵⁾ 06/14/2024 | |

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subsidiary of AT&T, and West Merger Sub II, LLC, a wholly owned subsidiary of AT&T (the "Merger Agreement"). The acquisition is more fully described in the Company's definitive proxy statement filed with the Securities and Exchange Commission on January 9, 2017. In accordance with the terms of the Merger Agreement, each share of the Company's common stock was exchanged for 1.437 (the "Exchange Ratio") shares of AT&T common stock plus \$53.75 in cash (together, the "Merger Consideration"). Each acquisition and disposition reported in this Form 4 is an exempt transaction.

- (2) The Time Warner Savings Plan, a qualified employee benefit plan (the "Savings Plan"). Includes shares of the Company's common stock acquired through the reinvestment of dividends paid on the shares of the Company's common stock held by the Savings Plan.
- (3) The Reporting Person disclaimed beneficial ownership of these shares of the Company's common stock, which were held by her spouse.
- (4) The Reporting Person disclaimed beneficial ownership of these shares of the Company's common stock, which were purchased in her spouse's 401(k) plan.

Pursuant to the Merger Agreement, each outstanding option to purchase the Company's common stock (a "Company Option"), whether vested or unvested, was converted into an option to acquire a number of shares of AT&T common stock equal to the number of shares of Company common stock under such Company Option, subject to the vesting and other terms in the applicable Company Option award agreement, except that the exercise price and the number of shares of AT&T common stock issuable upon exercise of such Company Option were adjusted based on the option exchange ratio determined under a formula in the Merger Agreement (which yields approximately 3.0757).

- (6) Each restricted stock unit represented a contingent right to receive one share of the Company's common stock.

Pursuant to the Merger Agreement, each outstanding restricted stock unit with respect to the Company's common stock (a "Company Employee RSU"), whether vested or unvested, was converted into (i) the right to receive a cash payment equal to \$53.75 plus any Retained Distributions (as defined in the applicable Company Employee RSU award agreement) related to the applicable Company Employee RSU and (ii) restricted stock units with respect to 1.437 shares of AT&T common stock, which is equal to the Exchange Ratio (with any fractional AT&T restricted stock units resulting from the product of the Exchange Ratio and the number of Company Employee RSUs in an award converted into cash and treated as a Retained Distribution), in each case, subject to the vesting and payment terms in the applicable Company Employee RSU award agreement.

- (8) Each performance stock unit (a "Company PSU") represented a right to receive one share of the Company's common stock. Each Company PSU vested upon the closing of the acquisition.

- (9) On February 15, 2016, the Reporting Person was awarded 5,627 target Company PSUs subject to the achievement of applicable performance criteria. Effective on June 14, 2018, in accordance with the terms of the applicable Company PSU award agreement, in connection with the closing of the acquisition, the Compensation and Human Development Committee approved a payout of 200% of the target Company PSUs under the performance standards set in 2016, subject to the closing of the acquisition.

- (10) Pursuant to the Merger Agreement, each outstanding Company PSU, whether vested or unvested, was canceled in exchange for the Merger Consideration, plus any Retained Distributions (as defined in the applicable Company PSU award agreement) related to the applicable Company PSU.

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