

# 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 or Section 30(h) of the Investment Company Act of 1940

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person* Watterson Sarah			2. Issuer Name and Ticker or Trading Symbol Drive Shack Inc. [DS]			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) _____ CEO & President		
(Last) 1345 AVENUE OF THE AMERICAS, 45 FL	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 02/03/2017			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person		
(Street) NEW YORK, NY 10105			4. If Amendment, Date Original Filed (Month/Day/Year)					
(City)	(State)	(Zip)	<b>Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned</b>					

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			

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

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**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 Underlying Securities (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 of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date					
Stock Option (right to buy)	\$ 1	02/03/2017		A		37,422		(1)(2)	03/31/2021(3)	Common Stock, par value \$0.01 per share(4)	\$ 0	37,422	D	
Stock Option (right to buy)	\$ 1	02/03/2017		A		62,906		(1)(2)	09/30/2021(3)	Common Stock, par value \$0.01 per share(4)	\$ 0	62,906	D	
Stock Option (right to buy)	\$ 1	02/03/2017		A		41,802		(1)(2)	04/30/2022(3)	Common Stock, par value \$0.01 per share(4)	\$ 0	41,802	D	
Stock Option (right to buy)	\$ 1	02/03/2017		A		47,558		(1)(2)	05/31/2022(3)	Common Stock, par value \$0.01 per share(4)	\$ 0	47,558	D	
Stock Option (right to buy)	\$ 1	02/03/2017		A		52,559		(1)(2)	07/31/2022(3)	Common Stock, par value \$0.01 per share(4)	\$ 0	52,559	D	
Stock Option (right to buy)	\$ 2.32	02/03/2017		A		115,000		(1)(2)	01/31/2023(3)	Common Stock, par value \$0.01 per share(4)	\$ 0	115,000	D	

Stock Option (right to buy)	\$ 2.95	02/03/2017		A	46,000	(1)(2)	02/28/2023(3)	Common Stock, par value \$0.01 per share (4)	46,000	\$ 0	46,000	D
Stock Option (right to buy)	\$ 3.23	02/03/2017		A	80,500	(1)(2)	06/30/2023(3)	Common Stock, par value \$0.01 per share (4)	80,500	\$ 0	80,500	D
Stock Option (right to buy)	\$ 3.57	02/03/2017		A	115,902	(1)(2)	11/30/2023(3)	Common Stock, par value \$0.01 per share (4)	115,902	\$ 0	115,902	D
Stock Option (right to buy)	\$ 4.01	02/03/2017		A	91,850	(1)(2)	08/31/2024(3)	Common Stock, par value \$0.01 per share (4)	91,850	\$ 0	91,850	D

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Watterson Sarah 1345 AVENUE OF THE AMERICAS 45 FL NEW YORK, NY 10105			CEO & President	

## Signatures

/s/ Cameron D. MacDougall, as Attorney-in-Fact		02/17/2017
<small>Signature of Reporting Person</small>		<small>Date</small>

## 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).

Tandem awards correspond on a one-to-one basis with options granted to FIG LLC, the Company's manager (or an affiliate of the Company's manager), such that exercise by an employee of the tandem award would result in the corresponding option held by the manager being cancelled. Upon the grant of options to the manager (or an affiliate), such options are fully vested and

(1) become exercisable over a 30-month period (the "Total Exercisability Period") in equal monthly installments beginning on the first of each month following the month in which the options were granted. (Continued in Footnote 2)

When tandem awards are granted with respect to manager options, the manager options become exercisable in equal monthly installments over a portion of the Total Exercisability Period equal to the product of (i) the ratio of manager options not subject to corresponding tandem options to the total number of manager options (including manager options underlying such tandem

(2) awards subject to corresponding tandem options) multiplied by (ii) 30 (such period, the "Manager Exercisability Period"). Following the Manager Exercisability Period, the tandem awards vest in generally equal monthly installments on the first of each month over the remainder of the Total Exercisability Period and become exercisable only at the end of the Total Exercisability Period.

(3) Represents the expiration date of the related manager option. In general, the expiration date of the tandem award occurs prior to the expiration date of the underlying option.

(4) Tandem awards will be settled in an amount of cash equal to the excess of the fair market value of a share of our common stock on the date of exercise over the fair market value on the date of grant, unless advance approval is given by the Board of Directors or an officer of the Company, as applicable, to settle the tandem awards in shares.

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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