

IAC/INTERACTIVECORP
Form 4
January 29, 2010

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 *
LIBERTY MEDIA CORP

2. Issuer Name and Ticker or Trading Symbol
IAC/INTERACTIVECORP [IACI]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
12300 LIBERTY BOULEVARD

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
01/27/2010

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

ENGLEWOOD, CO 80112

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

(City) (State) (Zip)

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	01/27/2010		J/K ⁽¹⁾⁽²⁾⁽³⁾		6,725,000	D	$\frac{(1) (2)}{(3)}$	3,020,103	I	Held through wholly-owned subsidiary
Common Stock	01/27/2010		J/K ⁽¹⁾⁽⁴⁾⁽⁵⁾		775,000	D	$\frac{(1) (4)}{(5)}$	2,245,103	I	Held through wholly-owned subsidiary
Common Stock	01/28/2010		S		151,000	D	\$ $\frac{20.32}{(6)}$	2,094,103	I	Held through wholly-owned subsidiary

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

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).

On January 27, 2010, the reporting person settled a variable forward sale contract with respect to 7,500,000 shares of Common Stock (the "Forward Sale Shares"). The preliminary transaction acknowledgement for the forward sale contract was entered into on June 10, 2009 with a financial institution (the "Counterparty"). Pursuant to the transaction acknowledgement, and superceding confirmations

- (1) memorializing the variable forward sale contract, the reporting person was obligated to deliver to the Counterparty the Forward Sale Shares (or, at the option of the reporting person, an equivalent amount of cash) on January 27, 2010, the maturity date for the contract. The Reporting Person pledged 7,500,000 shares of the Issuer's common stock to the Counterparty as collateral to secure its obligations under the forward sale contract.

Pursuant to the terms of the forward sale contract, on July 13, 2009 the Counterparty established a "Cap Price" of \$16.3603 per share and a "Floor Price" of \$16.0363 per share with respect to 6,725,000 of the Forward Sale Shares (the "Tranche One Shares"), each of which prices was based on the weighted average price per share of Common Stock used by the Counterparty to establish its initial hedging

- (2) position with respect to the Tranche One Shares. Under the terms of the forward sale contract, the Reporting Person agreed to deliver a number of shares of Common Stock on the third trading day after January 27, 2010, and would be paid in cash by the Counterparty, as follows: (i) if the price of common stock (as determined under the contract) at the time of settlement (the "Settlement Price") was less than the Floor Price, the Reporting Person would deliver 6,725,000 shares of Common Stock to the Counterparty and the Reporting Person would receive an amount of cash equal to \$107,844,117,

- (3) (ii) if the Settlement Price was greater than the Cap Price, the Reporting Person would deliver 6,725,000 shares of Common Stock to the Counterparty and the Reporting Person would receive an amount of cash equal to \$110,023,017, and (iii) if the Settlement Price was greater than the Floor Price and lower than the Cap Price, the Reporting Person would deliver to the Counterparty a number of shares of Common Stock equal to 6,725,000, and the Reporting Person would receive an amount of cash equal to 6,725,000 multiplied by the Settlement Price. On January 27, 2010, the Settlement Price was \$20.94. Accordingly, the reporting person delivered 6,725,000 shares of Common Stock to the Counterparty.

Pursuant to the terms of the forward sale contract, on July 15, 2009 the Counterparty established a "Cap Price" of \$16.3974 per share and a "Floor Price" of \$16.0727 per share with respect to 775,000 of the Forward Sale Shares (the "Tranche Two Shares"), each of which prices was based on the weighted average price per share of Common Stock used by the Counterparty to establish its initial hedging

- (4) position with respect to the Tranche Two Shares. Under the terms of the forward sale contract, the Reporting Person agreed to deliver a number of shares of Common Stock on the third trading day after January 27, 2010, and would be paid in cash by the Counterparty, as follows: (i) if the price of common stock (as determined under the contract) at the time of settlement (the "Settlement Price") was less than the Floor Price, the Reporting Person would deliver 775,000 shares of Common Stock to the Counterparty and the Reporting Person would receive an amount of cash equal to \$12,456,342,

- (5) (ii) if the Settlement Price was greater than the Cap Price, the Reporting Person would deliver 775,000 shares of Common Stock to the Counterparty and the Reporting Person would receive an amount of cash equal to \$12,707,985, and (iii) if the Settlement Price was greater than the Floor Price and lower than the Cap Price, the Reporting Person would deliver to the Counterparty a number of shares of Common Stock equal to 775,000, and the Reporting Person would receive an amount of cash equal to 775,000 multiplied by the Settlement Price. On January 27, 2010, the Settlement Price was \$20.94. Accordingly, the reporting person delivered 775,000 shares of Common Stock to the Counterparty.

The price reflects a weighted average of sales made at prices ranging from \$20.22 to \$20.43. The Reporting Person agrees to provide

- (6) upon request by the staff of the Securities and Exchange Commission, the Issuer, or a security holder of the Issuer, information regarding the number of shares sold at each separate price.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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