

IAC/INTERACTIVECORP
Form 4
July 15, 2009

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

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

(Street)

ENGLEWOOD, CO 80112

(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
07/13/2009

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)

6. Individual or Joint/Group Filing(Check Applicable Line)
 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 Ownership (Instr. 4)
				(A) or (D)	Code V Amount (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	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	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
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Derivative Security	(1) (2) (3)	Date	Disposed of (D) (Instr. 3, 4, and 5)		Date Exercisable	Expiration Date	Title	Amount Number Shares
			Code	V (A) (D)				
Forward Sale Contract (1) (2) (3)	(1) (2) (3)	07/13/2009	J(1)(2)(3)			(1)(2)(3)	Common Stock	6,725,000 (1) (2)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LIBERTY MEDIA CORP 12300 LIBERTY BOULEVARD ENGLEWOOD, CO 80112			X	

Signatures

LIBERTY MEDIA CORPORATION By: /s/ Craig Troyer Vice President
 Signature of Reporting Person: _____ Date: 07/15/2009

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).
- (1) On June 10, 2009 the Reporting Person entered into a preliminary transaction acknowledgement for a variable forward sale contract with a financial institution (the "Counterparty") with respect to a maximum of 7,500,000 shares of Common Stock (the "Forward Sale Shares"). Pursuant to the transaction acknowledgement, and a superceding confirmation memorializing the variable 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 position with respect to the Tranche One Shares. The Counterparty's initial hedging positions with respect to the Tranche One Shares were completed in accordance with Rule 144 under the Securities Act of 1933, as amended.
- Under the terms of the forward sale contract, the Reporting Person has agreed to deliver a number of shares of Common Stock on the third trading day after January 29, 2010, and will be paid in cash by the Counterparty, as follows:
- (2) (i) if the price of common stock (as determined under the contract) at the time of settlement (the "Settlement Price") is less than the Floor Price, the Reporting Person will deliver 6,725,000 shares of Common Stock to the Counterparty and the Reporting Person will receive an amount of cash equal to approximately \$107,844,117, (ii) if the Settlement Price is greater than the Cap Price, the Reporting Person will deliver 6,725,000 shares of Common Stock to the Counterparty and the Reporting Person will receive an amount of cash equal to approximately \$110,023,017, and
 - (iii) if the Settlement Price is greater than the Floor Price and lower than the Cap Price, the Reporting Person will deliver to the Counterparty a number of shares of Common Stock equal to 6,725,000, and the Reporting Person will receive an amount of cash equal to 6,725,000 multiplied by the Settlement Price. The Counterparty will establish a "Cap Price" and a "Floor Price" with respect to the
- (3) Forward Sale Shares other than the Tranche One Sales and the parties will have similar obligations upon settlement with respect to such Forward Sale Shares as the obligations described above for the Tranche One Sales. Under the contract, in lieu of delivery of shares on the settlement date, the Reporting Person may, at its option, settle the contract by delivery of cash. The Reporting Person has pledged 6,725,000 shares of the Issuer's common stock to the Counterparty as collateral to secure its obligations under the forward sale contract.

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.