

IAC/INTERACTIVECORP
 Form 4
 September 07, 2006

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL
 OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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 *
 LEBDA DOUGLAS R

(Last) (First) (Middle)

C/O
 IAC/INTERACTIVECORP, 152
 WEST 57TH STREET, 42ND
 FLOOR

(Street)

NEW YORK, NY 10019

(City) (State) (Zip)

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

3. Date of Earliest Transaction
 (Month/Day/Year)
 09/05/2006

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)
 President & COO

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)
				Code V	Amount	(A) or (D)	Price
Common Stock, par value \$0.001	09/05/2006		J ⁽¹⁾	181,614 D	(1)	343,146	(2) (3) D

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

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SEC 1474 (9-02)

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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 Underlying Security (Instr. 3 and 4)
Variable Prepaid Forward Contract (obligation to sell) ⁽¹⁾	<u>(1)</u>	09/05/2006		<u>J</u> ⁽¹⁾	181,614	09/05/2006 ⁽¹⁾ 09/05/2006 ⁽¹⁾	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LEBDA DOUGLAS R C/O IAC/INTERACTIVECORP 152 WEST 57TH STREET, 42ND FLOOR NEW YORK, NY 10019			President & COO	

Signatures

Joanne Hawkins as Attorney-in-Fact for Douglas R. Lebda

 **Signature of Reporting Person

09/07/2006

 Date

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) In connection with the settlement of a joint variable prepaid forward contract, dated September 5, 2003, among the reporting person, his spouse and a financial institution, the reporting person delivered all of the shares (181,614) of IAC Common Stock subject to the contract (the "Shares"), together with all related collateral (specifically, 181,614 shares of Expedia Common Stock issued in connection with the spin-off by IAC/InterActiveCorp of certain of its travel and travel-related businesses into a separate public company on August 9, 2005) to the financial institution. The reporting person was obligated to deliver all of the Shares and related collateral (or, at his option, an equivalent cash payment) at settlement because the settlement prices (\$22.40, \$22.68 and \$22.60, in each case, for one-third of the Shares and related collateral, as calculated in accordance with the contract) were, in each case, less than the downside floor price (\$35.5335) specified in the contract.
- (2) Includes (i) 200,000 restricted shares of IAC Common Stock held directly by the reporting person, which vest in equal installments on December 31, 2006, December 31, 2007 and December 31, 2008, subject to the reporting person's continued employment with IAC and subject to the achievement of certain performance-related criteria, (ii) 58,850 shares of IAC Common Stock held directly by the reporting person, (iii) 1,796 shares of IAC Common Stock held directly by the reporting person in an individual retirement account and (iv) 82,500 shares of IAC Common Stock subject to a variable prepaid forward contract, dated September 5, 2003, between the reporting person and a financial institution, which contract matures on September 5, 2008.

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- (3) The reporting person is also the indirect beneficial owner of (i) 20,598 shares of IAC Common Stock held in a grantor retained annuity trust and (ii) 23,710 shares of IAC Common Stock subject to a variable prepaid forward contract, dated September 5, 2003, between the reporting person's spouse and a financial institution, which contract matures on September 5, 2008. The reporting person disclaims beneficial ownership of the shares of IAC Common Stock described in (ii) above.

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.