

IAC/INTERACTIVECORP
Form 4
July 17, 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)
07/15/2009

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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SEC 1474
(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 | 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 | Disposed of (D) (Instr. 3, 4, and 5) | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
|--------------------------------------|---|------------|------|-----------|---------|-----------|------------------|-----------------|------------------------|----------------------------|
| | (1) | (2) (3) | | | | | | | | |
| Forward Sale Contract (1) (2) (3) | (1) (2) (3) | 07/15/2009 | J | (1)(2)(3) | 775,000 | (1)(2)(3) | (1)(2)(3) | Common Stock | 775,000 (1) (2) (3) | |

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 07/17/2009

__Signature of Reporting Person

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) As previously reported, 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 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 position with respect to the Tranche Two Shares. The Counterparty's initial hedging positions with respect to the Tranche Two Shares were completed in accordance with Rule 144 under the Securities Act of 1933, as amended.

(2) 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 27, 2010, and will 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") is less than the Floor Price, the Reporting Person will deliver 775,000 shares of Common Stock to the Counterparty and the Reporting Person will receive an amount of cash equal to approximately \$12,456,342, (ii) if the Settlement Price is greater than the Cap Price, the Reporting Person will deliver 775,000 shares of Common Stock to the Counterparty and the Reporting Person will receive an amount of cash equal to approximately \$12,707,985, and

(3) (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 775,000, and the Reporting Person will receive an amount of cash equal to 775,000 multiplied by the Settlement Price. 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 775,000 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.

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