

ION MEDIA NETWORKS INC.  
 Form 3  
 January 26, 2007

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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 *		2. Date of Event Requiring Statement	3. Issuer Name <b>and</b> Ticker or Trading Symbol	
Â CITADEL INVESTMENT GROUP LLC		(Month/Day/Year)	ION MEDIA NETWORKS INC. [ION]	
(Last)	(First)	01/17/2007		
131 S DEARBORN STREET			4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
32ND FL,Â				
(Street)			(Check all applicable)	
CHICAGO,Â ILÂ 60603			<input type="checkbox"/> Director	<input checked="" type="checkbox"/> 10% Owner
(City)	(State)	(Zip)	<input type="checkbox"/> Officer	<input type="checkbox"/> Other
			(give title below) (specify below)	
			6. Individual or Joint/Group Filing(Check Applicable Line)	
			<input type="checkbox"/> Form filed by One Reporting Person	
			<input checked="" type="checkbox"/> Form filed by More than One Reporting Person	

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Class A Common Stock	2,724,207	I	See <u>(1)</u>
14-1/4% Cumulative Junior Exchangeable Preferred Stock	9,386.4688	I	See <u>(1)</u>

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

SEC 1473 (7-02)

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**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

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1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
9-3/4% Series A Convertible Preferred Stock	Â (2)	Â (2)	Class A Common Stock	163,960	\$ 16	I	See (1)
Equity Swap	Â (3)	01/16/2008	Class A Common Stock	53,500	\$ 0.7	I	See (1)
Equity Swap	Â (3)	02/13/2008	Class A Common Stock	1,500,000	\$ 0.56	I	See (1)
Equity Swap	Â (3)	02/20/2008	Class A Common Stock	126,500	\$ 0.7	I	See (1)
Equity Swap	Â (3)	03/19/2008	Class A Common Stock	1,000,000	\$ 0.7	I	See (1)
Equity Swap	Â (3)	07/10/2008	Class A Common Stock	718,337	\$ 0.56	I	See (1)

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CITADEL INVESTMENT GROUP LLC 131 S DEARBORN STREET 32ND FL CHICAGO, IL 60603	Â	Â X	Â	Â
GRIFFIN KENNETH C CITADEL INVESTMENT GROUP LLC 131 S DEARBORN STREET 32ND FL CHICAGO, IL 60603	Â	Â X	Â	Â
CIG MEDIA LLC CITADEL INVESTMENT GROUP LLC 131 DEARBOARN ST 32ND FLOOR CHICAGO, IL 60603	Â	Â X	Â	Â
CITADEL L P 131 S. DEARBORN STREET, 32ND FLOOR CHICAGO, IL 60603	Â	Â X	Â	Â

## Signatures

Matthew Hinerfeld, Managing Director and Deputy General  
Counsel +

01/26/2007

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 5(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) See Exhibit 99.2 for the text of footnote (1)
- (2) The 9-3/4% Series A Convertible Preferred Stock is convertible any time, at the holder's election, and has no expiration date.
- (3) See Exhibit 99.2 for the text of footnote (3)

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### Remarks:

+Â SeeÂ ExhibitÂ 99.1

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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