

MCINERNEY THOMAS
Form 4
January 19, 2006

FORM 4

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

OMB APPROVAL

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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 *
MCINERNEY THOMAS

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)

3. Date of Earliest Transaction (Month/Day/Year)
01/17/2006

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
EVP & CFO

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

(Street)

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

NEW YORK, NY 10019

(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 Ownership (Instr. 4)
			Code	V	Amount or (D) Price		
Common Stock, par value \$0.01 ⁽¹⁾	08/09/2005		J ⁽¹⁾		17,342 ⁽²⁾ D \$ 0 0	D	
Common Stock, par value \$0.001 ⁽¹⁾	08/09/2005		J ⁽¹⁾		8,671 ⁽³⁾ A \$ 0 8,671 ⁽³⁾	D	
Common Stock, par	01/17/2006		M ⁽⁴⁾		45,018 A \$ 0 53,689 ⁽³⁾	D	

value
\$0.001 ⁽⁴⁾

Common
Stock, par
value 01/17/2006 F⁽⁵⁾ 18,263 D \$ 29.32 35,426 ⁽³⁾ D
\$0.001 ⁽⁵⁾

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 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)	
					V	(A) (D)	Date Exercisable	Expiration Date
Options to Purchase Common Stock ⁽⁶⁾	\$ 24.09	08/09/2005		J ⁽⁶⁾		7,500	08/09/2005 ⁽⁷⁾	05/10/2010 ⁽⁷⁾
Options to Purchase Common Stock ⁽⁶⁾	\$ 26.46	08/09/2005		J ⁽⁶⁾		26,250	08/09/2005 ⁽⁷⁾	12/16/2011 ⁽⁷⁾
Options to Purchase Common Stock ⁽⁸⁾	\$ 26.46	08/09/2005		J ⁽⁸⁾		15,756	12/16/2005 ⁽⁷⁾	12/16/2011 ⁽⁷⁾
Options to Purchase Common Stock ⁽⁶⁾	\$ 27.03	08/09/2005		J ⁽⁶⁾		70,186	08/09/2005 ⁽⁷⁾	06/23/2009 ⁽⁷⁾
Options to Purchase Common Stock ⁽⁶⁾	\$ 29.77	08/09/2005		J ⁽⁶⁾		35,062	08/09/2005 ⁽⁷⁾	03/31/2010 ⁽⁷⁾
Options to Purchase Common	\$ 46.77	08/09/2005		J ⁽⁶⁾		60,775	08/09/2005 ⁽⁷⁾	12/27/2009 ⁽⁷⁾

Stock ⁽⁶⁾						
Options to Purchase Common Stock ⁽⁶⁾	\$ 17.22	08/09/2005	J ⁽⁶⁾	14,025	08/09/2005 ⁽⁷⁾	05/15/2011 ⁽⁷⁾
Options to Purchase Common Stock ⁽⁶⁾	\$ 33.13	08/09/2005	J ⁽⁶⁾	17,531	08/09/2005 ⁽⁷⁾	03/19/2012 ⁽⁷⁾
Options to Purchase Common Stock ⁽⁸⁾	\$ 33.13	08/09/2005	J ⁽⁸⁾	10,522	03/19/2006 ⁽⁷⁾	03/19/2012 ⁽⁷⁾
Options to Purchase Common Stock ⁽⁶⁾	\$ 11.43	08/09/2005	J ⁽⁶⁾	11,688	08/09/2005 ⁽⁷⁾	02/21/2011 ⁽⁷⁾
Options to Purchase Common Stock ⁽⁶⁾	\$ 0.02	08/09/2005	J ⁽⁶⁾	2,337	08/09/2005 ⁽⁷⁾	03/19/2012 ⁽⁷⁾
Restricted Stock Units ⁽⁹⁾	\$ 0	08/09/2005	J ⁽⁹⁾	45,018	01/17/2006 ⁽¹⁰⁾⁽¹¹⁾	01/17/2006 ⁽¹⁰⁾⁽¹¹⁾
Restricted Stock Units ⁽⁹⁾	\$ 0	01/17/2006	M	45,018	01/17/2006 ⁽¹⁰⁾⁽¹¹⁾	01/17/2006 ⁽¹⁰⁾⁽¹¹⁾
Restricted Stock Units ⁽⁹⁾	\$ 0	08/09/2005	J ⁽⁹⁾	40,107	02/04/2006 ⁽¹⁰⁾⁽¹²⁾	02/04/2009 ⁽¹⁰⁾⁽¹²⁾
Restricted Stock Units ⁽⁹⁾	\$ 0	08/09/2005	J ⁽⁹⁾	58,982	02/04/2009 ⁽¹⁰⁾⁽¹³⁾	02/04/2009 ⁽¹⁰⁾⁽¹³⁾
Restricted Stock Units ⁽⁹⁾	\$ 0	08/09/2005	J ⁽⁹⁾	75,407	02/10/2006 ⁽¹⁰⁾⁽¹⁴⁾	02/10/2010 ⁽¹⁰⁾⁽¹⁴⁾
Restricted Stock Units ⁽⁹⁾	\$ 0	08/09/2005	J ⁽⁹⁾	113,110	02/10/2010 ⁽¹⁰⁾⁽¹⁵⁾	02/10/2010 ⁽¹⁰⁾⁽¹⁵⁾

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

MCINERNEY THOMAS
 C/O IAC/INTERACTIVECORP
 152 WEST 57TH STREET, 42ND FLOOR
 NEW YORK, NY 10019

EVP &
 CFO

Signatures

Joanne Hawkins as Attorney-in-Fact for Thomas
 McInerney

01/19/2006

__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) Reflects the disposition of IAC Common Stock, par value \$0.01 ("Old IAC Common Stock"), and the acquisition of IAC Common Stock, par value \$0.001 ("New IAC Common Stock"), in each case, in connection with the spin-off by IAC/InterActiveCorp ("IAC") of Expedia, Inc. ("Expedia"), which was completed on August 9, 2005 (the "Spin-Off"). The Spin-Off, which was immediately preceded by a one-for-two reverse stock split (the "Reverse Stock Split"), was effected by way of a reclassification, pursuant to which each share of Old IAC Common Stock was reclassified into one share of New IAC Common Stock and 1/100 of a share of IAC Series 1 Mandatory Exchangeable Preferred Stock, which was automatically exchanged into one share of Expedia Common Stock.
 - (2) Does not include 467 shares of Old IAC Common Stock held indirectly by the reporting person as co-executor and co-beneficiary of an estate.
 - (3) Does not include 233 shares of New IAC Common Stock held indirectly by the reporting person as co-executor and co-beneficiary of an estate.
 - (4) Represents shares of IAC Common Stock acquired upon the vesting of restricted stock units (see footnote 11 below).
 - (5) Represents the withholding of shares of IAC Common Stock for the payment of taxes in connection with the vesting of restricted stock units (see footnote 11 below).
 - (6) In connection with the Spin-Off, each of the reporting person's vested options to purchase shares of Old IAC Common Stock converted into one vested option to purchase shares of New IAC Common Stock and one vested option to purchase shares of Expedia Common Stock, with adjustments to the number of shares subject to each vested option and the option exercise prices based on the relative market capitalizations of IAC and Expedia after giving effect to the Spin-Off and Reverse Stock Split.
 - (7) Other than the adjustments described in footnote 6 above and footnote 8 below, vested and unvested options to purchase New IAC Common Stock received in connection with the Spin-Off have the same terms and conditions, including the same exercise periods, as the vested and unvested options to purchase Old IAC Common Stock had immediately prior to the Spin-Off and Reverse Stock Split.
 - (8) In connection with the Spin-Off, each of the reporting person's unvested options to purchase shares of Old IAC Common Stock converted into unvested options to purchase shares of New IAC Common Stock, with adjustments to the number of shares underlying each unvested option based on the market capitalization of IAC after giving effect to the Spin-Off and Reverse Stock Split.
 - (9) In connection with the Spin-Off, all of the reporting person's restricted stock units, which represented the right to receive shares of Old IAC Common Stock ("Old IAC RSUs"), converted into restricted stock units representing the right to receive shares of New IAC Common Stock, with adjustments to the number of shares underlying each restricted stock unit based on the market capitalization of IAC after giving effect to the Spin-Off and Reverse Stock Split ("New IAC RSUs").
 - (10) New IAC RSUs received in connection with the Spin-Off have the same terms and conditions, including the same vesting periods, as Old IAC RSUs had immediately prior to the Spin-Off and Reverse Stock Split.
 - (11) The terms of the initial grant provide for vesting in one lump sum installment on the third anniversary of the grant date, January 17, 2003, subject to the satisfaction of certain performance-related conditions.
 - (12) The terms of the initial grant provide for vesting in equal installments over five years on the anniversary of the grant date, February 4, 2004, subject to the satisfaction of certain performance-related conditions.
 - (13) The terms of the initial grant provide for vesting in one lump sum installment on the fifth anniversary of the grant date, February 4, 2004, subject to the satisfaction of certain performance-related conditions.
 - (14) The terms of the initial grant provide for vesting in equal annual installments over five years on the anniversary of the grant date, February 10, 2005, subject to the satisfaction of certain performance-related conditions.

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- (15) The terms of the initial grant provide for vesting in one lump sum installment on the fifth anniversary of the grant date, February 10, 2005, subject to the satisfaction of certain performance-related conditions.

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.