

IAC/INTERACTIVECORP  
Form 4  
October 04, 2005

**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 \*  
KEOUGH DONALD R /NY

(Last) (First) (Middle)  
711 FIFTH AVENUE  
(Street)

NEW YORK, NY 10022

(City) (State) (Zip)

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

3. Date of Earliest Transaction  
(Month/Day/Year)  
09/30/2005

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)
			Code	V	Amount	(A) or (D)	Price
Common Stock, par value \$0.01 <u>(1)</u>	08/09/2005		J <sup>(1)</sup>		99,544	D	\$ 0
Common Stock, par value \$0.001 <u>(1)</u>	08/09/2005		J <sup>(1)</sup>		49,772	A	\$ 0
Common Stock, par value \$0.001 <u>(2)</u>	09/30/2005		A <sup>(2)</sup>		335	A	\$ 25.35
					50,107 <sup>(3)</sup>	D	

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

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(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 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 (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title
Options to Purchase Common Stock <sup>(4)</sup>	\$ 12.22	08/09/2005		J <sup>(4)</sup>	5,000	08/09/2005 <sup>(5)</sup>	09/15/2008 <sup>(5)</sup>	Common Stock
Options to Purchase Common Stock <sup>(4)</sup>	\$ 11.6	08/09/2005		J <sup>(4)</sup>	50,000	08/09/2005 <sup>(5)</sup>	09/17/2008 <sup>(5)</sup>	Common Stock
Options to Purchase Common Stock <sup>(4)</sup>	\$ 21.2	08/09/2005		J <sup>(4)</sup>	5,000	08/09/2005 <sup>(5)</sup>	10/01/2009 <sup>(5)</sup>	Common Stock
Options to Purchase Common Stock <sup>(4)</sup>	\$ 24.61	08/09/2005		J <sup>(4)</sup>	2,500	08/09/2005 <sup>(5)</sup>	04/04/2010 <sup>(5)</sup>	Common Stock
Options to Purchase Common Stock <sup>(4)</sup>	\$ 28.63	08/09/2005		J <sup>(4)</sup>	2,500	08/09/2005 <sup>(5)</sup>	05/02/2011 <sup>(5)</sup>	Common Stock
Options to Purchase Common Stock <sup>(4)</sup>	\$ 27.98	08/09/2005		J <sup>(4)</sup>	2,500	08/09/2005 <sup>(5)</sup>	05/30/2011 <sup>(5)</sup>	Common Stock
Options to Purchase Common Stock <sup>(4)</sup>	\$ 26.99	08/09/2005		J <sup>(4)</sup>	5,000	08/09/2005 <sup>(5)</sup>	06/12/2012 <sup>(5)</sup>	Common Stock

Restricted Stock Units <sup>(6)</sup>	\$ 0	08/09/2005	J <sup>(6)</sup>	2,251	05/29/2006 <sup>(7)(8)</sup>	05/29/2006 <sup>(7)(8)</sup>	Common Stock
Restricted Stock Units <sup>(6)</sup>	\$ 0	08/09/2005	J <sup>(6)</sup>	4,502	06/23/2006 <sup>(7)(9)</sup>	06/23/2007 <sup>(7)(9)</sup>	Common Stock
Restricted Stock Units <sup>(6)</sup>	\$ 0	08/09/2005	J <sup>(6)</sup>	6,753	07/19/2006 <sup>(7)(10)</sup>	07/19/2008 <sup>(7)(10)</sup>	Common Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KEOUGH DONALD R /NY 711 FIFTH AVENUE NEW YORK, NY 10022	X			

## Signatures

Joanne Hawkins as Attorney-in-Fact for Donald Keough  
 Signature of Reporting Person: \_\_\_\_\_ Date: 10/04/2005

## 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) Represents share units accrued pursuant to the Non-Employee Director Deferred Compensation Plan as of September 30, 2005.
- (3) The reporting person is also the indirect beneficial owner of 1,000 shares of IAC Common Stock held by his spouse, of which the reporting person disclaims beneficial ownership.
- (4) 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.
- (5) Other than the adjustments described in footnote 4 above, vested 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 options to purchase Old IAC Common Stock had immediately prior to the Spin-Off and Reverse Stock Split.
- (6) 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").
- (7) 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.

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- (8) The terms of the initial grant provide for vesting in equal installments over three years on the anniversary of the grant date, May 29, 2003.
- (9) The terms of the initial grant provide for vesting in equal installments over three years on the anniversary of the grant date, June 23, 2004.
- (10) The terms of the initial grant provide for vesting in equal installments over three years on the anniversary of the grant date, July 19, 2005.

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.