

ION MEDIA NETWORKS INC.  
Form 4  
July 31, 2007

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
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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 \*  
CITADEL INVESTMENT GROUP LLC

2. Issuer Name and Ticker or Trading Symbol  
ION MEDIA NETWORKS INC.  
[ION]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
131 S DEARBORN STREET  
32ND FL

3. Date of Earliest Transaction (Month/Day/Year)  
07/27/2007

\_\_\_\_ Director  
\_\_\_\_ Officer (give title below)  
\_\_X\_\_ 10% Owner  
\_\_\_\_ Other (specify below)

(Street)  
CHICAGO, IL 60603

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
\_\_\_\_ Form filed by One Reporting Person  
\_\_X\_\_ Form filed by More than One Reporting Person

(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 Beneficial Ownership (Instr. 4) |
|--|--------------------------------------|--|--------------------------------|---|---|--|---|
| 14-1/4% Cumulative Junior Exchangeable Preferred Stock | 07/27/2007                           |  | J <sup>(1)</sup>               | 9,386.4688 D  | 0   | I  | See <sup>(2)</sup>                                    |
| 8% Series F Non-Convertible Preferred Stock            | 07/27/2007                           |  | J <sup>(1)</sup>               | 21,000 D  | 0   | I  | See <sup>(2)</sup>                                    |
| 8% Series A-2 Non-Convertible Preferred Stock          | 07/27/2007                           |  | J <sup>(1)</sup>               | 9,558.4689 A  | 9,558.4689  | I  | See <sup>(2)</sup>                                    |

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8% Series A-2  
 Non-Convertible 07/27/2007 J<sup>(1)</sup> 906.5519 D (1) 8,651.917 I See <sup>(2)</sup>  
 Preferred Stock

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) | 7. Title and Underlying (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|--|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable Expiration Date                         | Title                                    |
| 9-3/4% Series A Convertible Preferred Stock                  | \$ 16  | 07/27/2007                           |  | J <sup>(1)</sup>               | 262.336   | <sup>(3)</sup> <sup>(3)</sup>                            | Class A Common Stock                     |
| 12% Series B Mandatorily Conv. Preferred Stock               | \$ 0.9 <sup>(3)</sup>                                  | 07/27/2007                           |  | J <sup>(1)</sup>               | 482.4402  | <sup>(3)</sup> <sup>(3)</sup>                            | Class B Common Stock                     |
| Series E-2 Mandatorily Conv. Preferred Stock                 | \$ 0.89 <sup>(3)</sup>                                 | 07/27/2007                           |  | J <sup>(1)</sup>               | 20,000  | <sup>(3)</sup> <sup>(3)</sup>                            | Class E-2 Common Stock                   |
| 11% Series A Mandatorily Conv. Senior Subord. Notes due 2013 | \$ 0.9   | 07/27/2007                           |  | J <sup>(1)</sup>               | \$ 71,579,028   | <sup>(4)</sup> 07/31/2013                                | Class A Common Stock                     |
| 11% Series B Mandatorily Conv. Senior                        | \$ 0.75  | 07/27/2007                           |  | J <sup>(1)</sup>               | \$ 9,065,548  | <sup>(4)</sup> 07/31/2013                                | Class B Common Stock                     |

Subord.  
Notes due  
2013

11% Series  
B

Mandatorily  
Conv. Senior \$ 0.75 07/27/2007  
Subord.  
Notes due  
2013

P \$  
15,000,000

(4)

07/31/2013

Class.  
Comm  
Stock

## Reporting Owners

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

## Signatures

/s/ Matthew B. Hinerfeld, Managing Director and General  
Counsel

07/31/2007

\_\_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) See Exhibit 99.2 for text of footnote (1).
- (2) See Exhibit 99.2 for text of footnote (2).
- (3) These securities are convertible at any time, at the holder's election, have no expiration date, and are subject to adjustment upon the occurrence of pre-specified events.
- (4) The notes are immediately convertible and are subject to adjustment upon the occurrence of pre-specified events.

**Remarks:**

See Exhibit 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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