

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 and 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 | | (Check all applicable) | | |
| (Street) | | ___ Director ___X___ 10% Owner | | 6. Individual or Joint/Group Filing(Check Applicable Line) |
| CHICAGO,Â ILÂ 60603 | | ___ Officer ___ Other | | ___ Form filed by One Reporting Person |
| (City) | (State) | (give title below) (specify below) | | __X__ Form filed by More than One Reporting Person |
| (Zip) | | | | |

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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