

ION MEDIA NETWORKS INC.
 Form 4
 May 08, 2007

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
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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,
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 05/04/2007

____ Director
 ____ Officer (give title below)
 ___X___ 10% Owner
 ____ Other (specify below)

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 Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) | | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|-----|-------|
| | | | | (A) or (D) | Code | V | Amount | (D) | Price |

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

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative | 2. Conversion | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if | 4. Transaction | 5. Number of Derivative Securities | 6. Date Exercisable and Expiration Date | 7. Title and An Securities |
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|------------------------------------|---|----------------------------|
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|------------------------------------|---|----------------------------|

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| Security (Instr. 3) | or Exercise Price of Derivative Security | any (Month/Day/Year) | Code (Instr. 8) | Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | (Month/Day/Year) | (Instr. 3 and 4) | | |
|--|--|----------------------|-----------------|--|------------------|------------------|-----------------|-----------------------|
| | | | Code V | (A) | (D) | Date Exercisable | Expiration Date | Title |
| 11% Series B Mandatorily Conv. Senior Subord. Notes due 2013 | \$ 0.75 | 05/04/2007 | P | \$ 100,000,000 (1) | (1) | 07/31/2013 | | Class A Com-mon Stock |

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 | | X | | |
| GRIFFIN KENNETH C C/O CITADEL INVESTMENT GROUP LLC 131 S DEARBORN STREET 32ND FL CHICAGO, IL 60603 | | X | | |
| CIG MEDIA LLC C/O CITADEL INVESTMENT GROUP LLC 131 DEARBOARN ST 32ND FLOOR CHICAGO, IL 60603 | | X | | |
| CITADEL L P C/O CITADEL INVESTMENT GROUP LLC 131 S. DEARBORN STREET, 32ND FLOOR CHICAGO, IL 60603 | | X | | |

Signatures

/s/ Matthew Hinerfeld, Managing Director and Deputy General Counsel

05/08/2007

__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) The notes are immediately convertible and are subject to adjustment upon the occurrence of pre-specified events.
- (2) See Exhibit 99.2 for text of footnote (2).

Remarks:

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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. 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.