ION MEDIA NETWORKS INC.
Form 4
July 31, 2007

FORM 4

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

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

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).

(Print or Type Responses)

1. Name and Address of Reporting Person *
CITADEL INVESTMENT GROUP LLC

(Last) (First) (Middle)

, 131 S DEARBORN STREET 32ND FL

(Street)

CHICAGO, IL 60603

(City) (State) (Zip)

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

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

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director
__X__ 10% Owner
_____ Officer (give title below)
_____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
___ Form filed by One Reporting Person
_X_ 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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
14-1/4% Cumulative Junior Exchangeable Preferred Stock	07/27/2007		J(1)		9,386.4688	D	(1)	0	I	See (2)
8% Series F Non-Convertible Preferred Stock	07/27/2007		J(1)		21,000	D	(1)	0	I	See (2)
8% Series A-2 Non-Convertible Preferred Stock	07/27/2007		J(1)		9,558.4689	A	(1)	9,558.4689	I	See (2)

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

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

Subord. Notes due 2013								
11% Series B Mandatorily Conv. Senior Subord. Notes due 2013	$ 0.75	07/27/2007		P	$ 15,000,000	(4)	07/31/2013	Class A Commo 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 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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