

ION MEDIA NETWORKS INC.

Form 4

January 10, 2008

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

3. Date of Earliest Transaction (Month/Day/Year)
01/08/2008

___ Director ___X___ 10% Owner
___ Officer (give title below) ___ 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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | Code | V | Amount | Price | |
| Class A Common Stock | 01/08/2008 | | X ⁽¹⁾ | | 15,455,062 | \$ 0.25 | 60,220,578 I See ⁽²⁾ |
| Class B Common Stock | 01/08/2008 | | X ⁽¹⁾ | | 8,311,639 | \$ 0.29 | 8,311,639 I See ⁽²⁾ |

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

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number.

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 Underlying (Instr. 3) |
|--|--|--------------------------------------|--|--------------------------------|---|------------|--|-----------------------|----------------------------------|
| | | | | | (A) | (D) | Date Exercisable | Expiration Date | |
| Call (right to buy) | \$ 0.25 | 01/08/2008 | | P ⁽¹⁾ | | 15,455,062 | | 05/04/2007 05/07/2007 | Class Comm Stock |
| Call (right to buy) | \$ 0.29 | 01/08/2008 | | P ⁽¹⁾ | | 8,311,639 | | 05/04/2007 05/07/2007 | Class Comm Stock |
| Call (right to buy) | \$ 0.25 | 01/08/2008 | | X ⁽¹⁾ | | 15,455,062 | | 05/04/2007 05/07/2007 | Class Comm Stock |
| Call (right to buy) | \$ 0.29 | 01/08/2008 | | X ⁽¹⁾ | | 8,311,639 | | 05/04/2007 05/07/2007 | Class Comm 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 CITADEL INVESTMENT GROUP LLC 131 S DEARBORN STREET 32ND FL CHICAGO, IL 60603 | | X | | |
| CITADEL L P 131 S. DEARBORN STREET, 32ND FLOOR CHICAGO, IL 60603 | | X | | |
| CIG MEDIA LLC CITADEL INVESTMENT GROUP LLC 131 DEARBOARN ST 32ND FLOOR CHICAGO, IL 60603 | | X | | |

Signatures

/s/ M. Hinerfeld

01/10/2008

**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) See Exhibit 99.2 for text of footnote (3).

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.
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.