

ION MEDIA NETWORKS INC.
Form SC 13D/A
March 15, 2007

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

SCHEDULE 13D/A

**Under the Securities Exchange Act of 1934
(Amendment No. 2)***

ION MEDIA NETWORKS, INC.

(Name of Issuer)

Class A Common Stock, par value \$0.001 per share

(Title of Class of Securities)

46205A103

(CUSIP Number)

**Matthew B. Hinerfeld
Citadel Investment Group, L.L.C.
131 S. Dearborn Street, 32nd Floor
Chicago, Illinois 60603
(312) 395-3167**

(Name, address and telephone numbers of person authorized to receive notices and communications)

March 14, 2007

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box .

Note. Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. *See* Rule 13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be “filed” for the purpose of Section 18 of the Securities Exchange Act of 1934 (“Act”) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, *see* the Notes).

This Amendment No. 2 to Schedule 13D (this “Second Amendment”) amends and supplements the Schedule 13D filed with the Securities and Exchange Commission on January 26, 2007 (the “Original Schedule 13D”), as amended by Amendment No. 1, filed on February 23, 2007 (the “First Amendment” and, together with the Original Schedule 13D, the “Schedule 13D”), by CIG Media LLC, a Delaware limited liability company (“CM”), Citadel Limited Partnership, an Illinois limited partnership (“CLP”), Citadel Investment Group, L.L.C., a Delaware limited liability company (“CIG”), and Kenneth Griffin, a natural person (“Griffin,” and together with CM, CLP and CIG, the “Reporting Persons”), with respect to shares of Class A common stock, par value \$0.001 per share (“Class A Common Stock”), of ION Media Networks, Inc., a Delaware corporation (the “Issuer”). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Schedule 13D. As specifically amended and supplemented by this Second Amendment, the Schedule 13D shall remain in full force and effect.

ITEM 4. Purpose of Transaction.

Item 4 of the Schedule 13D is hereby amended and supplemented by adding the following immediately after the last paragraph thereof:

On March 14, 2007, NBCU and CLP entered into a letter agreement (the “Amendment”), pursuant to which NBCU and CLP agreed to amend Section 2 of the Letter of Intent by deleting subsection (b) thereof. The Amendment eliminates NBCU’s right to terminate the Exclusivity Period with respect to NBCU and its representatives, which right would have been exercisable if the Board did not approve the Proposed Transaction by March 31, 2007. As a result of the Amendment, the exclusivity provisions of the Letter of Intent apply to both NBCU and CLP until May 7, 2007. A copy of the Amendment is attached hereto as Exhibit 99.8 and incorporated herein by reference.

Except as set forth herein, in the Schedule 13D, and in the exhibits hereto and thereto, the Reporting Persons have no present plans or proposals that would result in or relate to any of the transactions or changes listed in Items 4(a) through 4(j) of the form of Schedule 13D.

ITEM 7. Material to be Filed as Exhibits.

| Exhibit | Description |
|---------|--|
| 99.8 | Letter Agreement, dated March 14, 2007, between NBC Universal, Inc. and Citadel Limited Partnership. |

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: March 14, 2007

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| <p>CIG MEDIA LLC By: Citadel Limited Partnership, its Portfolio Manager</p> <p>By: Citadel Investment Group, L.L.C., its General Partner</p> <p>By: <u>/s/ Matthew B. Hinerfeld</u> Matthew B. Hinerfeld Managing Director and Deputy General Counsel</p> <p>CITADEL LIMITED PARTNERSHIP By: Citadel Investment Group, L.L.C., its General Partner</p> <p>By: <u>/s/ Matthew B. Hinerfeld</u> Matthew B. Hinerfeld Managing Director and Deputy General Counsel</p> | <p>KENNETH GRIFFIN</p> <p>By: <u>/s/ Matthew B. Hinerfeld</u> Matthew B. Hinerfeld, attorney-in-fact*</p> <p>CITADEL INVESTMENT GROUP, L.L.C.</p> <p>By: <u>/s/ Matthew B. Hinerfeld</u> Matthew B. Hinerfeld Managing Director and Deputy General Counsel</p> |
|---|--|

* Matthew B. Hinerfeld is signing on behalf of Kenneth Griffin as attorney-in-fact pursuant to a power of attorney previously filed with the Securities and Exchange Commission on February 4, 2005, and hereby incorporated by reference herein. The power of attorney was filed as an attachment to a filing by Citadel Limited Partnership on Schedule 13G/A for Komag, Incorporated.