

ION MEDIA NETWORKS INC.

Form 4

January 10, 2008

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
PAXSON LOWELL W

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)

**C/O HOLLAND & KNIGHT, 222
LAKEVIEW AVENUE, S. 1000**

(Street)

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

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

WEST PALM BEACH, FL 33401

(City) (State) (Zip)

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

6. Individual or Joint/Group Filing(Check
Applicable Line)
__X__ Form filed by One Reporting Person
____ 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			
Class A Common Stock	01/08/2008		X ⁽¹⁾⁽²⁾⁽³⁾		15,455,062 ⁽⁴⁾	D	\$ 0.25	0	I	By Paxson Enterprises, Inc. and Second Crystal Diamond, LP
Class B Common Stock	01/08/2008		X ⁽¹⁾⁽²⁾⁽³⁾		8,311,639 ⁽⁵⁾	D	\$ 0.29	0	I	By Paxson Enterprises, Inc. and Second

Crystal
Diamond,
LP

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

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(9-02)**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 and Underlying (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title
Call Options (obligation to sell)	\$ 0.25	01/08/2008		X ⁽¹⁾⁽²⁾⁽³⁾	15,455,062 ⁽⁴⁾	11/07/2005	05/07/2007	Class A Common Stock
Call Options (obligation to sell)	\$ 0.29	01/08/2008		X ⁽¹⁾⁽²⁾⁽³⁾	8,311,639 ⁽⁵⁾	11/07/2005	05/07/2007	Class B Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PAXSON LOWELL W C/O HOLLAND & KNIGHT 222 LAKEVIEW AVENUE, S. 1000 WEST PALM BEACH, FL 33401		X		

Signatures

/s/ Lowell W. Paxson, Reporting Person (Individually and as President of Paxson Enterprises, Inc., in its capacity as sole General Partner of Second Crystal Diamond, Limited Partnership), executed by attorney-in-fact, Adam K. Weinstein

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).

On November 7, 2005, the reporting person, Second Crystal Diamond Limited Partnership and Paxson Enterprises, Inc. (collectively, the "Paxson Stockholders") and NBC Palm Beach Investment II, Inc. ("NBC Palm Beach II") entered into a Call Agreement (the "Call Agreement"). Pursuant to the Call Agreement, the Paxson Stockholders granted NBC Palm Beach II (or its permitted transferee) the right to purchase (the "Call Right") 15,455,062 shares of Class A Common Stock and 8,311,639 shares of Class B Common Stock (the "Call Shares"). Pursuant to the Master Transaction Agreement among ION Media Networks, Inc. ("ION"), NBCU, NBC Palm Beach Investment I, Inc., NBC Palm Beach II and CIG Media, L.L.C. ("CIG Media"), dated as of May 3, 2007 (the "Master Transaction Agreement"), NBC Palm Beach II transferred the Call Agreement to CIG Media on May 4, 2007.

The Master Transaction Agreement required CIG Media to exercise the Call Right concurrently with the assignment of the Call Agreement, which was done on May 4, 2007. However, pursuant to the Call Agreement, the obligation of the Paxson Stockholders to deliver the Call Shares to CIG Media was conditioned on certain material conditions, including Federal Communications Commission (the "FCC") approval, which approval shall have become a final order, of the purchase of the Call Shares by CIG Media and other conditions contained in the Call Agreement. On December 31, 2007, the FCC released an order, which became effective on January 2, 2008, approving the transfer of control of ION from Lowell W. Paxson and Paxson Management Corporation to CIG Media. However, the FCC order is not a final order and is subject to reconsideration or judicial review.

If neither reconsideration nor judicial review is initiated, the FCC order will become a final order 40 days from the date it became effective. Under the Call Agreement, the requirement of a final order from the FCC may be waived, and CIG Media, by closing on the purchase of the Call Shares, has waived that condition. This Form 4 is being filed by the reporting person to report the exercise of the Call Right by CIG Media as well as the disposition of shares of Class A Common Stock and Class B Common Stock in connection with the closing of the Call Right on January 8, 2008.

Mr. Paxson is the beneficial owner of all Class A Common Stock, other than 100 shares of Class A Common Stock, through his control of Second Crystal Diamond, Limited Partnership and Paxson Enterprises, Inc.

Mr. Paxson is the beneficial owner of all Class B Common Stock through his control of Second Crystal Diamond, Limited Partnership and Paxson Enterprises, Inc.

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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