

Expedia, Inc.
Form 4
February 07, 2006

FORM 4

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

OMB APPROVAL

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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 *
KHOSROWSHAHI DARA

(Last) (First) (Middle)
3150 139TH AVENUE SE
(Street)

BELLEVUE, WA 98005

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
Expedia, Inc. [EXPE]

3. Date of Earliest Transaction
(Month/Day/Year)
02/04/2006

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

Chief Executive Officer

6. Individual or Joint/Group Filing(Check Applicable Line)

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | Code | V Amount (A) or (D) Price | | | |
| Common Stock | 02/04/2006 | | M | 17,862 A \$ 0 | 70,057 ⁽¹⁾ | D | |
| Common Stock | 02/04/2006 | | F | 4,801 D \$ 25.47 | 65,256 | D | |

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

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SEC 1474
(9-02)

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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 and Amount of Underlying Securities (Instr. 3 and 4) | | |
|---|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|---------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount |
| Restricted Stock Units ⁽²⁾ | <u>(3)</u> | 02/04/2006 | | M | 17,862 | 02/04/2006 ⁽⁴⁾ | 02/04/2009 | Common Stock | 17,862 |
| Options to Purchase Common Stock ⁽⁵⁾ | \$ 5.94 | | | | | 08/09/2005 | 02/24/2010 | Common Stock | 10,000 |
| Options to Purchase Common Stock ⁽⁵⁾ | \$ 18.4 | | | | | 08/09/2005 | 03/02/2010 | Common Stock | 50,000 |
| Options to Purchase Common Stock ⁽⁵⁾ | \$ 19.29 | | | | | 08/09/2005 | 05/10/2010 | Common Stock | 7,500 |
| Options to Purchase Common Stock ⁽⁵⁾ | \$ 22.18 | | | | | 08/09/2005 | 07/24/2010 | Common Stock | 150,000 |
| Options to Purchase Common Stock ⁽⁵⁾ | \$ 16.57 | | | | | 08/09/2005 | 12/18/2010 | Common Stock | 125,000 |
| Options to Purchase Common Stock ⁽⁵⁾ | \$ 20.06 | | | | | 08/09/2005 | 04/25/2011 | Common Stock | 41,667 |
| Options to Purchase Common Stock ⁽⁵⁾ | \$ 21.19 | | | | | 08/09/2005 ⁽⁶⁾ | 12/16/2011 | Common Stock | 164,000 |
| Restricted Stock Units ⁽²⁾ | \$ 0 ⁽³⁾ | | | | | 02/12/2006 ⁽⁷⁾ | 02/12/2008 | Common Stock | 84,375 |

Restricted

Stock \$ 0 ⁽³⁾Units ⁽²⁾02/10/2006⁽⁸⁾ 02/10/2010Common
Stock 94.1

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| KHOSROWSHAHI DARA 3150 139TH AVENUE SE BELLEVUE, WA 98005 | X | | Chief Executive Officer | |

Signatures

By: Amy E. Weaver,
Attorney-in-Fact

02/06/2006

**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) Includes 52,195 shares of Expedia Common Stock received in connection with the spin-off by IAC/InterActive Corp (IAC) of Expedia, Inc. (Expedia), which was completed on August 9, 2005 (the Spin-Off). The Spin-Off, which was immediately preceded by a one-for-two reverse stock split (the Reverse Stock Split) was effected by way of a reclassification, pursuant to which each share of IAC Common Stock, par value \$0.01 (Old IAC Common Stock), was reclassified into one share of IAC Common Stock, par value \$0.001 (New IAC Common Stock), and 1/100 of a share of IAC Series 1 Mandatory Exchangeable Preferred Stock, which was automatically exchanged into one share of Expedia Common Stock.

(2) Represents Restricted Stock Units (RSUs) of Expedia received in connection with the Spin-Off. In connection with the Spin-Off, the reporting person's RSUs of IAC common stock were adjusted into RSUs of Expedia common stock. The vesting schedules below reflect vesting dates remaining following the Spin-Off.

(3) None.

(4) Date at which first vesting following August 9, 2005 occurred is indicated. One-fourth of the total number of RSUs outstanding August 9, 2005 vested on the first vesting date and an additional one-fourth each anniversary thereafter until the RSUs are fully vested.

(5) Represents stock options of Expedia received in connection with the Spin-off. In connection with the Spin-Off, stock options to purchase IAC common stock were adjusted into stock options to purchase Expedia common stock. The vesting schedules below reflect vesting dates remaining following the Spin-Off.

(6) Options for 93,750 shares were vested at August 9, 2005, and the balance of 70,277 shares vested on December 16, 2005.

(7) Date at which first vesting following August 9, 2005 occurs is indicated. One-third of the total number of RSUs outstanding August 9, 2005 vest on the first vesting date and an additional one-third on each anniversary thereafter until the RSUs are fully vested.

(8) Date at which first vesting following August 9, 2005 occurs is indicated. One-fifth of the total number of RSUs outstanding August 9, 2005 vest on the first vesting date and an additional one-fifth each anniversary thereafter until the RSUs are fully vested.

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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