

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **May 17, 2006**

IAC/INTERACTIVE CORP

(Exact name of Registrant as specified in charter)

Delaware
(State or other jurisdiction
of incorporation)

0-20570
(Commission File
Number)

59-2712887
(IRS Employer
Identification No.)

152 West 57th Street, New York, NY
(Address of principal executive offices)

10019
(Zip Code)

Registrant's telephone number, including area code: **(212) 314-7300**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

On May 17, 2006, the Compensation and Human Resources Committee of the Board of Directors of IAC/InterActiveCorp ("IAC") approved compensation arrangements for its non-employee directors, which arrangements are set forth on Exhibit 10.1 hereto and are incorporated herein by reference in their entirety.

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

On May 17, 2006, John C. Malone, 65, was elected to the IAC Board of Directors. Dr. Malone has served as the Chairman of the Board of Liberty Media Corporation ("Liberty") since 1990 and served as Liberty's Chief Executive Officer from August 2005 through February 2006. Dr. Malone also served as Chairman of the Board and Chief Executive Officer of TCI from November 1996 to March 1999. Prior to that, Dr. Malone served as President and Chief Executive Officer of TCI since 1973. Dr. Malone also serves as Chairman of the Board of Liberty Global, Inc. and as a director of Expedia, Inc., The Bank of New York and Discovery Holding Company.

Pursuant to the Amended and Restated Governance Agreement among IAC, Liberty and Barry Diller, dated as of August 9, 2005, Liberty has the right to nominate up to two persons for election to the IAC Board of Directors, so long as certain stock ownership requirements applicable to Liberty are satisfied. Dr. Malone is the second of Liberty's designees.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

IAC/INTERACTIVECORP

By: /s/ Gregory R. Blatt
Name: Gregory R. Blatt
Title: Executive Vice President and
General Counsel

Date: May 23, 2006

Summary of Non-Employee Director Compensation Arrangements*

Each director of IAC who is not an employee of IAC or any of its businesses receives an annual retainer of \$45,000 and the chairpersons of the Audit and Compensation and Human Resources Committees each receive an additional annual retainer of \$15,000. Members of the Audit and Compensation and Human Resources Committees (including the chairpersons) receive an additional annual retainer of \$10,000 and \$5,000, respectively.

IAC also reimburses non-employee directors for all reasonable expenses incurred by these directors as a result of attendance at IAC Board and Committee meetings. In addition, non-employee directors receive a grant of 7,500 restricted stock units (or such lesser number of restricted stock units with a dollar value of \$250,000) upon their initial election to office and annually thereafter on the date of IAC's annual meeting of stockholders at which the director is re-elected. These restricted stock units vest in three equal annual installments commencing on the first anniversary of the grant date.

Under IAC's Deferred Compensation Plan for Non-Employee Directors, non-employee directors may defer all or a portion of their annual retainer(s). Eligible directors who defer their retainer(s) can elect to have such deferred amounts applied to the purchase of share units, representing the number of shares of IAC Common Stock that could have been purchased on the relevant date, or credited to a cash fund. If any dividends are paid on IAC Common Stock, dividend equivalents will be credited on the share units. The cash fund will be credited with deemed interest at an annual rate equal to the weighted average prime lending rate of JPMorgan Chase Bank.

Upon termination, a director will receive (1) with respect to share units, such number of shares of IAC Common Stock as the share units represent and (2) with respect to the cash fund, a cash payment. Payments upon termination will be made in either one lump sum or up to five installments, as previously elected by the eligible director at the time of the related deferral election.

* The non-employee director compensation arrangements described above, which arrangements were approved by the Compensation and Human Resources Committee of the IAC Board of Directors on May 17, 2006, will become effective on July 1, 2006.
