

ANDERSON FRED D
Form 4
October 26, 2012

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 *
ANDERSON FRED D

2. Issuer Name and Ticker or Trading Symbol
EBAY INC [EBAY]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

C/O EBAY INC., 2145 HAMILTON AVE

3. Date of Earliest Transaction (Month/Day/Year)
10/25/2012

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

(Street)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

SAN JOSE, CA 95125

(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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock | 10/25/2012 | | M | | 15,000 | A | \$ 30.51 |
| | | | | | | | 21,000 |
| Common Stock | 10/25/2012 | | S | | 15,000 | D | \$ 48.695 |
| | | | | | | | 6,000 |

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 Security (Instr. 3 and 4) | 8. An or No of | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------|---|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | |
| Non-Qualified Stock Option (right to buy) | \$ 30.51 | 10/25/2012 | | M | 15,000 | <u>(2)</u> | 06/13/2013 | Common Stock | 1 |
| Deferred Stock Units | \$ 0 | | | | | <u>(3)</u> | 07/17/2013 | Common Stock | 5 |
| Deferred Stock Units | \$ 0 | | | | | <u>(4)</u> | 04/29/2019 ⁽⁴⁾ | Common Stock | 6 |
| Deferred Stock Units | \$ 0 | | | | | <u>(4)</u> | 04/29/2020 ⁽⁴⁾ | Common Stock | 4 |
| Deferred Stock Units | \$ 0 | | | | | <u>(5)</u> | 04/28/2021 ⁽⁵⁾ | Common Stock | 6 |
| Deferred Stock Units | \$ 0 | | | | | <u>(5)</u> | 04/26/2022 ⁽⁵⁾ | Common Stock | 5 |
| Deferred Stock Units | \$ 0 | | | | | <u>(4)</u> | <u>(4)</u> | Common Stock | 3 |
| Non-Qualified Stock Option (right to buy) | \$ 16.47 | | | | | <u>(6)</u> | 04/29/2016 | Common Stock | 1 |
| Non-Qualified Stock Option (right to buy) | \$ 24.24 | | | | | <u>(6)</u> | 04/29/2017 | Common Stock | 1 |
| Non-Qualified Stock Option (right to buy) | \$ 29.17 | | | | | <u>(6)</u> | 06/19/2015 | Common Stock | 1 |
| Non-Qualified Stock Option (right to buy) | \$ 31.61 | | | | | <u>(2)</u> | 06/14/2014 | Common Stock | 1 |
| Non-Qualified Stock Option (right to buy) | \$ 34.44 | | | | | <u>(2)</u> | 06/23/2015 | Common Stock | 1 |
| | \$ 44.37 | | | | | <u>(2)</u> | 06/24/2014 | | 3 |

Non-Qualified
Stock Option
(right to buy)

Common
Stock

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| ANDERSON FRED D C/O EBAY INC. 2145 HAMILTON AVE SAN JOSE, CA 95125 | X | | | |

Signatures

Fred D. Anderson, Jr. 10/26/2012

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) Represents the weighted average price of shares sold at prices that ranged from \$48.58 to \$48.75.
- (2) Options become exercisable as to 25% on the one year anniversary date of the grant and 1/48th monthly thereafter.
The reporting person has received an exempt award of Deferred Stock Units ("DSUs") under the Company's 2003 Deferred Stock Unit Plan which is a right to receive shares of common stock of the Issuer upon termination of service as a Director of the Company subject to the terms and conditions of the DSU Award Agreement. The DSUs becomes vested as to 25% on the one year anniversary of the grant and 1/48th monthly thereafter, subject to the terms and conditions of the DSU Award Agreement. The DSU expires the later of 7/17/2013 or later if the reporting person is still in continuous service as a Director on such date.
- (4) DSUs granted represents the quotient of (A) \$110,000 divided by (B) the Company's closing stock price on the date of grant. The DSUs becomes vested as to 25% on the one year anniversary of the grant and 1/48th monthly thereafter, provided that the reporting person continues as a director or consultant of the Company through such date.
In connection with the reporting person's continuous service as a non-employee director of the Company, such reporting person has been granted an exempt award of Deferred Stock Units ("DSUs") at the time of the Company's annual meeting of stockholders. The number of DSUs granted represents the quotient of (A) \$220,000 divided by (B) the Company's closing stock price on the date of grant. The DSUs becomes vested as to 25% on the one year anniversary of the grant and 1/48th monthly thereafter, provided that the reporting person continues as a director or consultant of the Company through such date.
- (5) DSUs granted represents the quotient of (A) \$220,000 divided by (B) the Company's closing stock price on the date of grant. The DSUs becomes vested as to 25% on the one year anniversary of the grant and 1/48th monthly thereafter, provided that the reporting person continues as a director or consultant of the Company through such date.
In connection with the reporting person's continuous service as a non-employee director of the Company, such reporting person has been granted options at the time of the Company's annual meeting of stockholders. The number of options granted is equal to the net present value of \$110,000, calculated using the Black-Scholes valuation methodology on the date of grant. Options become exercisable as to 25% on the one year anniversary date of the grant and 1/48th monthly thereafter, provided that the reporting person continues as a director or consultant of the Company through such date.
- (6) value of \$110,000, calculated using the Black-Scholes valuation methodology on the date of grant. Options become exercisable as to 25% on the one year anniversary date of the grant and 1/48th monthly thereafter, provided that the reporting person continues as a director or consultant of the Company through such date.

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.