

LEPORE DAWN G
Form 4
December 16, 2009

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 *
LEPORE DAWN G

(Last) (First) (Middle)

C/O DRUGSTORE.COM, INC., 411
108TH AVE NE, SUITE 1400

(Street)

BELLEVUE, WA 98004

(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
12/14/2009

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)

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 Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	12/14/2009		M		24,111 A \$ 18.7969	44,111	D
Common Stock	12/14/2009		F		20,000 (1) D \$ 22.66	24,111	D
Common Stock	12/15/2009		M		58,000 A \$ 18.7969	82,111	D

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

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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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of
Non-Qualified Stock Option (right to buy)	\$ 18.7969	12/14/2009		M	24,111	<u>(2)</u>	12/17/2009	Common Stock	2
Non-Qualified Stock Option (right to buy)	\$ 18.7969	12/15/2009		M	58,000	<u>(2)</u>	12/17/2009	Common Stock	5
Deferred Stock Units	\$ 0					<u>(3)</u>	04/29/2019 ⁽³⁾	Common Stock	6
Deferred Stock Units	\$ 0					<u>(3)</u>	<u>(3)</u>	Common Stock	3
Non-Qualified Stock Option (right to buy)	\$ 13.7525					<u>(2)</u>	06/05/2012	Common Stock	8
Non-Qualified Stock Option (right to buy)	\$ 14.5					<u>(2)</u>	05/23/2010	Common Stock	3
Non-Qualified Stock Option (right to buy)	\$ 15.55					<u>(2)</u>	05/25/2011	Common Stock	6
Non-Qualified Stock Option (right to buy)	\$ 16.47					<u>(4)</u>	04/29/2016	Common Stock	1
Non-Qualified Stock Option (right to buy)	\$ 25.78					<u>(2)</u>	06/26/2013	Common Stock	6
Non-Qualified Stock Option (right to buy)	\$ 29.17					<u>(4)</u>	06/19/2015	Common Stock	1
Non-Qualified Stock Option	\$ 30.51					<u>(2)</u>	06/13/2013	Common Stock	1

(right to buy)				
Non-Qualified Stock Option (right to buy)	\$ 31.61	(2)	06/14/2014	Common Stock 1
Non-Qualified Stock Option (right to buy)	\$ 34.44	(2)	06/23/2015	Common Stock 1
Non-Qualified Stock Option (right to buy)	\$ 44.37	(2)	06/24/2014	Common Stock 3

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LEPORE DAWN G C/O DRUGSTORE.COM, INC. 411 108TH AVE NE, SUITE 1400 BELLEVUE, WA 98004	X			

Signatures

Dawn G. Lepore 12/15/2009

**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).

In accordance with the terms of the 1998 Director Stock Option Plan, the reporting person surrendered these shares to eBay to pay for

(1) substantially all of the aggregate exercise price for the 24,111 shares acquired on December 14, 2009. The remainder of the exercise price was paid in cash. This option was set to expire on December 17, 2009 (ten years after the date of grant).

(2) Options become exercisable as to 25% on the one year anniversary date of the grant and 1/48th monthly thereafter.

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

(3) 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 options at the time of the Company's annual meeting of stockholders. The number of options granted is equal to the net present

(4) 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.

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