

Thompson Scott
Form 4
July 27, 2010

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 *
Thompson Scott

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)
07/26/2010

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

President, PayPal

(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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V | Amount | (D) | Price |
| Common Stock | 07/26/2010 | | S | | 20,000 | D | \$ 20.9894 |
| | | | | | | | 128,407 |

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

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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| 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 or Number of Shares |
| Non-Qualified Option (right to buy) | \$ 25.85 | | | | | <u>(2)</u> | 03/03/2015 | Common Stock | 31,500 |
| Non-Qualified Option (right to buy) | \$ 28.15 | | | | | <u>(3)</u> | 09/01/2013 | Common Stock | 135,000 |
| Non-Qualified Stock Option (right to buy) | \$ 10.5 | | | | | <u>(4)</u> | 03/02/2016 | Common Stock | 130,000 |
| Non-Qualified Stock Option (right to buy) | \$ 23.88 | | | | | <u>(5)</u> | 03/01/2017 | Common Stock | 175,000 |
| Non-Qualified Stock Option (right to buy) | \$ 25.85 | | | | | <u>(2)</u> | 03/03/2015 | Common Stock | 107,500 |
| Non-Qualified Stock Option (right to buy) | \$ 28.15 | | | | | <u>(6)</u> | 09/01/2013 | Common Stock | 50,000 |
| Non-Qualified Stock Option (right to buy) | \$ 31.93 | | | | | <u>(7)</u> | 03/01/2014 | Common Stock | 139,500 |
| Non-Qualified Stock Option (right to buy) | \$ 39.9 | | | | | <u>(8)</u> | 03/01/2013 | Common Stock | 150,000 |
| Non-Qualified Stock Option (right to buy) | \$ 41.035 | | | | | <u>(9)</u> | 02/11/2015 | Common Stock | 550,000 |
| Restricted Stock Units (RSUs) | <u>(10)</u> | | | | | <u>(11)</u> | <u>(12)</u> | Common Stock | 50,000 |
| Restricted Stock Units -2 | <u>(10)</u> | | | | | <u>(13)</u> | <u>(12)</u> | Common Stock | 8,333 |
| | <u>(10)</u> | | | | | <u>(14)</u> | <u>(12)</u> | | 72,750 |

| | | | | | | |
|------------------------------|------|--|------|------|-----------------|--------|
| Restricted Stock Units -3 | | | | | Common Stock | |
| Restricted Stock Units -4 | (10) | | (15) | (12) | Common Stock | 43,750 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Thompson Scott C/O EBAY INC. 2145 HAMILTON AVE SAN JOSE, CA 95125 | | | President, PayPal | |

Signatures

By: Brian Levey For: Scott
Thompson 07/27/2010

__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 \$20.89 to \$21.04.
- (2) The option grant is subject to a four-year vesting schedule, vesting 12.5% on 9/1/08 and 1/48th per month thereafter.
- (3) The option grant is subject to a three-year vesting schedule, vesting 16.67% on 3/1/07 and 1/36th per month thereafter.
- (4) The option grant is subject to a four-year vesting schedule, vesting 12.5% on 9/1/09 and 1/48th per month thereafter.
- (5) The option grant is subject to a four-year vesting schedule, vesting 12.5% on 9/1/10 and 1/48th per month thereafter.
- (6) The option grant is subject to a two-year vesting schedule, vesting 25% on 3/1/07 and 1/24th per month thereafter.
- (7) The option grant is subject to a four-year vesting schedule, vesting 12.5% on 9/1/07 and 1/48th per month thereafter.
- (8) The option grant is subject to a four-year vesting schedule, vesting 12.5% on 9/1/06 and 1/48th per month thereafter.
- (9) Options become exercisable as to 25% on the one year anniversary date of the grant and 1/48th monthly thereafter.
- (10) Each restricted stock unit represents a contingent right to receive one share of eBay's common stock.
- (11) The reporting person received restricted stock units of 200,000 shares subject to a four-year vesting schedule, vesting 25% on the one year anniversary date of the restricted stock unit and 25% each year thereafter.
- (12) Not Applicable.
- (13) The reporting person received restricted stock units of 25,000 shares subject to a three-year vesting schedule, vesting 33.33% on 3/1/09 and 33.33% annually thereafter.
The reporting person received 97,000 restricted stock units subject to a four-year vesting schedule, vesting 25% on 3/1/10 and 25% each year thereafter. Upon vesting, the reporting person will receive a number of shares of common stock equal to the number of restricted stock units that have vested.
- (15) The reporting person received 43,750 restricted stock units subject to a four-year vesting schedule, vesting 25% on 3/1/11 and 25% each year thereafter. Upon vesting, the reporting person will receive a number of shares of common stock equal to the number of restricted stock units that have 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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