

Thompson Scott
Form 4
March 03, 2011

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

(Last) (First) (Middle)

C/O EBAY INC., 2145 HAMILTON AVE

(Street)

SAN JOSE, CA 95125

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
03/01/2011

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)
President, PayPal

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 | 03/01/2011 | | M | | 103,521 A \$ 0 | D | |
| Common Stock | 03/01/2011 | | A | | 17,775 (1) A \$ 0 | D | |
| Common Stock | 03/01/2011 | | F | | 56,601 (2) D \$ 32.29 | D | |

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

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number.

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 Underlying Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title |
| Non-Qualified Stock Option (right to buy) | \$ 32.29 | 03/01/2011 | | A | 85,710 | (3) 03/01/2018 | Common Stock |
| Restricted Stock Units -2 | (4) | 03/01/2011 | | M | 8,333 | (5) (6) | Common Stock |
| Restricted Stock Units -3 | (4) | 03/01/2011 | | M | 24,250 | (7) (6) | Common Stock |
| Restricted Stock Units -4 | (4) | 03/01/2011 | | M | 10,938 | (8) (6) | Common Stock |
| Restricted Stock Units -5 | (4) | 03/01/2011 | | M | 60,000 | (9) (6) | Common Stock |
| Restricted Stock Units -6 | (4) | 03/01/2011 | | A | 21,430 | (10) (6) | Common Stock |
| Non-Qualified Option (right to buy) | \$ 25.85 | | | | | (11) 03/03/2015 | Common Stock |
| Non-Qualified Option (right to buy) | \$ 28.15 | | | | | (12) 09/01/2013 | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 10.5 | | | | | (13) 03/02/2016 | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 23.88 | | | | | (14) 03/01/2017 | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 25.85 | | | | | (11) 03/03/2015 | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 28.15 | | | | | (15) 09/01/2013 | Common Stock |
| | \$ 31.93 | | | | | (16) 03/01/2014 | |

| | | | | |
|---|-----------|------|------------|-----------------|
| Non-Qualified Stock Option (right to buy) | | | | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 39.9 | (17) | 03/01/2013 | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 41.035 | (18) | 02/11/2015 | Common Stock |
| Restricted Stock Units (RSUs) | (4) | (19) | (6) | Common Stock |

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 03/03/2011

__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) The reporting person was granted 17,775 shares of common stock as a result of the company's achievement of certain performance criteria for 2009/2010 (the award was originally allocated to the reporting person as performance-based restricted stock units). 50% of the shares vested on the date of grant and the remainder will vest on 3/1/12.
- (2) Represents shares reacquired to satisfy tax withholding obligations in connection with the vesting of (a) 10,000 shares of restricted stock award granted to the Reporting Person on 3/1/06 (b) 8,333 shares of restricted stock granted to the Reporting Person on 3/3/08 (c) 24,250 shares of restricted stock granted to the Reporting Person on 3/2/09 (d) 10,938 shares of restricted stock granted to the Reporting Person on 3/1/10 (e) 60,000 shares of restricted stock granted to the Reporting Person on 10/8/10 and (f) 8,888 shares of restricted stock granted to the Reporting Person on 3/1/2011 (see footnote 1).
- (3) The option grant is subject to a four-year vesting schedule, vesting 12.5% on 9/1/11 and 1/48th per month thereafter.
- (4) Each restricted stock unit represents a contingent right to receive one share of eBay's common stock.
- (5) 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.
- (6) Not Applicable.
- (7) 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.

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- (8) 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.
- (9) The reporting person received 240,000 restricted stock units vesting 25% on 3/1/11, 25% on 3/1/12, 25% on 3/1/13 and 25% on 3/1/14. 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.
- (10) The reporting person received 21,430 restricted stock units subject to a four-year vesting schedule, vesting 25% on 3/1/12 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.
- (11) The option grant is subject to a four-year vesting schedule, vesting 12.5% on 9/1/08 and 1/48th per month thereafter.
- (12) The option grant is subject to a three-year vesting schedule, vesting 16.67% on 3/1/07 and 1/36th per month thereafter.
- (13) The option grant is subject to a four-year vesting schedule, vesting 12.5% on 9/1/09 and 1/48th per month thereafter.
- (14) The option grant is subject to a four-year vesting schedule, vesting 12.5% on 9/1/10 and 1/48th per month thereafter.
- (15) The option grant is subject to a two-year vesting schedule, vesting 25% on 3/1/07 and 1/24th per month thereafter.
- (16) The option grant is subject to a four-year vesting schedule, vesting 12.5% on 9/1/07 and 1/48th per month thereafter.
- (17) The option grant is subject to a four-year vesting schedule, vesting 12.5% on 9/1/06 and 1/48th per month thereafter.
- (18) Options become exercisable as to 25% on the one year anniversary date of the grant and 1/48th monthly thereafter.
- (19) 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.

Remarks:

In addition to the equity grants described above, the compensation committee has approved additional performance-based restricted stock units.

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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