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IPARTY CORP  
Form 8-K  
May 14, 2009

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 8-K

CURRENT REPORT

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

May 14, 2009

Date of Report (Date of earliest event reported)

iPARTY CORP.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	001-15611 (Commission File Number)	76-0547750 (IRS Employer Identification No.)
270 Bridge Street, Suite 301, Dedham, Massachusetts (Address of principal executive offices)		02026 (Zip Code)

(781) 329-3952

(Registrant's telephone number, including area code)  
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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 8.01 Other Events.

On April 24, 2009, we filed with the Securities and Exchange Commission a Proxy Statement in connection with the solicitation of proxies by our Board of Directors to be used at our 2009 Annual Meeting of Stockholders (the "Annual Meeting"). One of the proposals to be voted on at our Annual Meeting was the approval to conduct a one-time option repricing / exchange under which our named executive officers, four independent directors and certain senior officers would be able to elect to exchange certain outstanding stock options issued under our Amended and Restated 1998 Incentive and Nonqualified Stock Option Plan for a fewer number of lower priced options with the same vesting conditions and term. This proposal was Proposal No. 4 in our Proxy Statement and was referred to as

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the "Option Repricing / Exchange". We believed that the proposed Option Repricing / Exchange would create better incentives for our officers and directors to remain with us and contribute to the attainment of our business and financial objectives and more effectively align the long term interests of our executives with our stockholders.

However, we have received stockholder feedback that raised concerns over the proposed Option Repricing / Exchange. Although we retained the discretion in the Proxy Statement to abandon the Option Repricing / Exchange at any time prior to its completion, we determined that withdrawing the Option Repricing / Exchange before the Annual Meeting would be more responsive to the concerns of our stockholders.

Following the Annual Meeting, our Compensation Committee will review our compensation and incentive policies to continue to find ways to retain and motivate our team in ways that we believe will be more acceptable to our stockholders.

Our Annual Meeting remains scheduled to be convened on May 27, 2009, at 11:00 A.M., local time, at the offices of Posternak Blankstein & Lund LLP, Prudential Tower, 800 Boylston Street, 33rd Floor, Boston, MA 02199, at which time our stockholders will proceed to vote on original Proposal No. 1 (Election of Directors), Proposal No. 2 (Approval of the 2009 Stock Incentive Plan), Proposal No. 3 (Approval of the Reverse Stock Split), and Proposal No. 5 (Ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 26, 2009).

SIGNATURE

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 hereunto duly authorized.

IPARTY CORP.

By: /s/ SAL PERISANO

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Sal Perisano  
Chairman of the Board and  
Chief Executive Officer

Dated: May 14, 2009