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

SCHEDULE TO
AMENDMENT NO. 2

(RULE 14D-100)

**Tender Offer Statement Under Section 14(d)(1) or 13(e)(1)
of the Securities Exchange Act of 1934**

zulily, inc.
(Name of Subject Company)

MOCHA MERGER SUB, INC.
(Offeror)

LIBERTY INTERACTIVE CORPORATION
(Parent of Offeror)
(Names of Filing Persons)

CLASS A COMMON STOCK, $0.0001 PAR VALUE
(Title of Class of Securities)
989774104
(CUSIP Number of Class of Securities)

This

of Section 368(a) of the Internal Revenue Code of 1986.

8. The Tender Offer commenced on September 1, 2015, and is scheduled to expire at midnight, Eastern Time, on September 29, 2015.

9. Both the Transaction Consideration and the process by which Defendants have agreed to consummate the Proposed Transaction are fundamentally unfair to zulily's public stockholders. Indeed, the value of the Transaction Consideration is 53% lower than the Company's 52 week high closing price of $39.68, 15% below the $22 initial public offering ("IPO") price of the Company's common stock in November 2014, and 74% less than the Company's February 2014 high of $72.75. The Company's stock price closed above the implied value of the Transaction Consideration as recently as February 2015. Simply put, the Proposed Transaction will provide no premium at all to any zulily stockholder who acquired their shares on

the public market between the Company's November 2013 IPO and late-January 2015.

10. Further, several analysts have recently set price targets for the Company significantly above the implied value of the Transaction Consideration. Specifically, analysts from Stifel, Goldman Sachs and Janney Montgomery Scott LLC issued price targets of $25, $23 and $22 per share, respectively, on February 12, 2015. And an analyst from Lebenthal & Co. issued a price target of $53 per share within the past twelve months.

11. The Transaction Consideration zulily stockholders stand to receive is particularly inadequate given the significant benefits Liberty will reap if the Proposed Transaction is consummated. The purchase will enable Liberty's home shopping and ecommerce retailer subsidiary QVC, Inc. ("QVC") to tap into zulily's younger demographic of "millennial moms." This benefit alone, which an analyst from Stifel Nicolaus & Co. described as "a millennial-focused feeder program stabilizing the future QVC," combined with the significant synergies expected from the Proposed Transaction, caused a Forbes contributor to write that "Liberty and QVC swooped in and got them

35. Individual Defendant W. Eric Carlborg ("Carlborg") has served as a member of the Board since October 2011. Since June 2010, Carlborg has served as a partner at August Capital, a venture capital firm. From April 2006 to June 2010, Carlborg served as a partner at Continental Investors LLC, an investment company. From 2005 to 2006, Carlborg served as Chief Financial Officer of Provide Commerce, Inc., an e-commerce company. From 2001 to 2004, Carlborg was a managing director of investment banking with Merrill Lynch & Co. Carlborg previously served on the board of directors of Big Lots, Inc., a discount chain of retail stores, and Blue Nile, Inc. Carlborg is currently on the board of directors of various privately held companies. Carlborgapd cl

over year; gross profit increased to $92.5 million, up 14% year over year; active customers grew to 4.9 million by the

(ii) furnish any non-public information regarding any of the Company or any Company Subsidiary to any Person (other than Parent, its Affiliates and Parent's or Purchaser's Representatives acting in their capacity as such) in connection with or in response to anS ăĎ Ɏ management, which are referred to as the "Management Forecasts." Recommendation Statement at 28. However, the Recommendation Statement fails to specify whether the forecasts for the Company that Goldman Sachs utilized for the various financial analyses it performed were the "Initial Forecasts" that were prepared by management in May 2015, or the "Revised Forecasts" that were prepared by management in July 2015, which included adjustments to reflect a lower growth rate and EBITDA margin than assumed in the Initial Forecasts. Zulily's stockholders are entitled to know which Forecasts Goldman Sachs utilized in connection with preparing its fairness opinion, and such information is clearly material.

85. With respect to the section, the Recommendation Statement fails to disclose whether the Board or Transaction Committee considered retaining any other financial advisors prior to the time it engaged Goldman Sachs. This information is material to stockholders given the significant relationship Goldman Sachs has with Liberty and its related entities. Zulily stockholders would find it material to know whether the Board actively sought to engage an impartial financial advisor, or whether Goldman Sachs was merely retained to provide an aura of legitimacy to the sale process despite its inability to impartially evaluate the fairness of the Transaction Consideration to zulily's stockholders.

86. The Recommendation Statement also fails to provide any meaningful information concerning "the manner in which the Initial Forecasts were prepared and [illegible] (Recommendation Statement at 16), which is material to zulily stockholders given that a mere two months later Company management and the Board determined that the Initial Forecasts were overly aggressive and needed to be revised downward.

87. The Recommendation Statement further fails to provide a fair summary of the "risks and uncertainties" and "factors and risks in the Company's business" that Company management and the Board cited as the basis for needing to revise the Initial Forecasts downward (Recommendation Statement at 18, 37).

94. With respect to Goldman Sachs' (Recommendation Statement at 34), the Recommendation Statement fails to disclose the following key inputs and range of values, which are necessary for zulily's stockholders to have a fair understanding of the work performed by Goldman Sachs and are therefore material:

a. The implied premium Gold Sachs calculated for each of the transactions, which is material to stockholders because without it they are unable to determine whether the applied illustrative premia range was reasonable, particularly in light of the fact that certain transactions from 2008-2011 do not accurately reflect current economic conditions; and

b. The NTM multiple calculated for each of the selected transactions, which is material to stockholders because without it they are unable to determine whether the applied Adjusted EBITDA multiples range was reasonable.

95. With respect to the " " section (Recommendation Statement at 36-38), the Recommendation Statement fails to disclose the unlevered free cash flow projections for the . Those projections are material to zulily's stockholders, as a portion of the consideration they are being offered is in the form of QVCA stock, and the value of that stock is heavily dependent upon QVC's anticipated future cash flows.

96. The Recommendation Statement also fails to disclose any of the pro forma forecasts for the combined company, which were utilized by Goldman Sachs' in connection with its financial analyses (Recommendation Statement at 30). Such pro forma forecasts are clearly material to zulily's stockholders, as they provide detailed information concerning the projected financial performance of the combined company in which zulily's stockholders are being offered an ownership stake.

97. With respect to the section of the Recommendation Statement discussing Goldman Sachs prior work and relationships with zulily, Liberty, and their respective affiliates (Recommendation Statement at 35-36), the Recommendation statement fails to disclose:

a. The identity of the "significant stockholder of Liberty Interactive" in which Goldman Sachs has an economic interest, and/or a fair description of Goldman's interest including its economic value;

b. The amount of compensation Goldman Sachs has received for the "certain financial advisory and/or underwriting services" it has provided to the Company during the past two years; and

c. The amount of compensation Goldman Sachs has received in connection with the financial advisory and/or underwriting services it has provided to Liberty-related entities during the past two years.

98. This information is material to zulily's stockholders because without it they are unable to fairly assess whether Goldman Sachs' prior work for Liberty and zulily improperly influenced its financial analyses and fairness opinion. Indeed, such material information concerning the relationship between interested parties would clearly assume significance in the deliberations of a reasonable zulily stockholder, and disclosure of such information will give notice to stockholders to examine the proposed transaction more critically.

99. With respect to the transaction fee Goldman Sachs will be paid in connection with the Proposed Transaction, the Recommendation Statement fails to state whether the "total

consideration paid in the Transaction" will be calculated based upon the closing price of QVCA Stock as of August 14, 2015, or the date on which the Proposed Transaction is consummated (Recommendation Statement at 36). This information is material, as QVCA's stock price has declined significantly since the announcement of the Proposed Transaction, and therefore zulily's stockholders are currently unable to determine whether the estimated fee of $26 million Goldman Sachs stands to receive will change based upon changes in QVCA's stock price.

100. Defendants knowingly or recklessly failed to disclose the material information discussed above. Without materially complete disclosure of the information set forth above, stockholders cannot make an informed decision concerning whether or not to tender their shares. Accordingly, Plaintiff seeks injunctive and other equitable relief to prevent the irreparable injury that Company stockholders will continue to suffer absent judicial intervention.

B. Defendants Knew or Recklessly Disregarded that the Recommendation Statement Omits Material Information

101. The Individual Defendants, and thus zulily, knew or disregarded that the Recommendation Statement contains the materially incomplete and misleading information discussed above.

102. Specifically, Defendants undoubtedly reviewed the contents of the Recommendation Statement before it was filed with the SEC. Indeed, Individual Defendants [illegible]