

SALEM COMMUNICATIONS CORP /DE/

Form 8-K

June 08, 2010

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

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): June 2, 2010

SALEM COMMUNICATIONS CORPORATION
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

000-26497
(Commission
File Number)

77-0121400
(IRS Employer
Identification No.)

4880 Santa Rosa Road, Camarillo, California
(Address of Principal Executive Offices)

93012
(Zip Code)

Registrant's telephone number, including area code: (805) 987-0400

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

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:

- 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))

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Item 5.02

Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

New Employment Agreement with Edward G. Atsinger III

On June 2, 2010, Salem Communications Holding Corporation (HoldCo), a wholly-owned subsidiary of Salem Communications Corporation (the Company), and Edward G. Atsinger III entered into a new employment agreement pursuant to which Mr. Atsinger will continue to serve as the Company s CEO. The Compensation Committee (the Committee) of the Board of Directors of the Company has also approved the terms of Mr. Atsinger s agreement.

Mr. Atsinger s current employment agreement with HoldCo is scheduled to expire on June 30, 2010. The term of Mr. Atsinger s new employment agreement will commence on July 1, 2010, and continue until June 30, 2013. On July 1, 2010, Mr. Atsinger s new employment agreement will supersede and replace the employment agreement entered into by HoldCo and Mr. Atsinger as of July 1, 2007.

The employment agreement provides that Mr. Atsinger will receive base salary at an annual rate of \$855,000 in the first year of the term (from July 1, 2010 through June 30, 2011), \$875,000 in the second year of the term (from July 1, 2011 through June 30, 2012), and \$900,000 in the third year of the term (from July 1, 2012 through June 30, 2013).

Mr. Atsinger will also be eligible for an annual merit bonus in an amount to be determined at the discretion of the Company s Board of Directors.

Additional benefits under Mr. Atsinger s employment agreement include: (a) a supplemental health benefit covering 100% of the cost (including full reimbursement for 100% of all travel costs and any income or employment taxes applicable to this supplemental coverage) of all vision, health or dental expenses incurred by Mr. Atsinger that are not otherwise covered by the Company s medical benefits program, (b) an automobile allowance, (c) the right to receive the death benefit on a split-dollar life insurance policy pursuant to a separate Split Dollar Life Insurance Agreement entered into by Mr. Atsinger and the Company, and (d) payment by the Company for all regulatory filing fees associated with the exercise of stock options by Mr. Atsinger (including full reimbursement for any income or employment taxes applicable to the payment of such fees).

Mr. Atsinger s employment agreement generally provides that if Mr. Atsinger s employment is terminated as a result of a disability (as defined in the employment agreement), HoldCo will: (a) pay Mr. Atsinger the accrued portion of his salary and bonus through the termination date of the employment agreement, (b) pay a severance equal to 100% of

Mr. Atsinger's then-current base salary for a period of 15 months without offset of any disability payments Mr. Atsinger may receive, and (c) as of the termination date, accelerate 100% of the vesting of any then unvested or time-vested stock options previously granted to Mr. Atsinger by the Company.

If Mr. Atsinger's employment is terminated without cause (as defined in the employment agreement), HoldCo will: (a) pay Mr. Atsinger as severance an amount equal to his then base salary for six months or the remainder of the term of the employment agreement, whichever period is longer, and (b) if Mr. Atsinger dies prior to the expiration of the term, pay his estate an amount equal to the accrued portion of any salary or bonus for Mr. Atsinger through the termination date as well as continued coverage under the Company's benefit plans or programs for a period of twelve months from the termination date.

Mr. Atsinger's employment agreement is filed herewith as Exhibit 99.1 and is incorporated herein by reference into this Item 5.02.

Item 9.01 Financial Statements and Exhibits.

Item 9.01(c) Exhibits. The following exhibits are furnished with this report on Form 8-K:

| Exhibit No. | Description |
|-------------|---|
| 99.1 | Employment Agreement with Edward G. Atsinger III dated as of July 1, 2010 |

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 thereunto duly authorized.

SALEM COMMUNICATIONS CORPORATION

Date: June 8, 2010

By: /s/ CHRISTOPHER J. HENDERSON
Christopher J. Henderson
Vice President and General Counsel