

SALEM COMMUNICATIONS CORP /DE/
Form 8-K
March 17, 2006

**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): March 15, 2006

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 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

SIGNATURE

ITEM 1.01 ENTRY INTO MATERIAL DEFINITIVE AGREEMENT

2005 Named Executive Officer Bonuses

On March 15, 2006, the Board of Directors of Salem Communications Corporation (the Company) authorized the payment of the following annual incentive (i.e., bonus) awards to the Company's named executive officers for the year ended December 31, 2005:

| Named Executive Officer | Title | Cash Bonus |
|--------------------------------|---|-------------------|
| Edward G. Atsinger III | President, CEO and Director | \$250,000 |
| Stuart W. Epperson | Chairman of the Board | \$100,000 |
| Joe D. Davis | Executive Vice President and Chief Operating Officer | \$100,000 |
| David A. R. Evans | Executive Vice President - Business Development and Chief Financial Officer | \$75,000 |
| Robert C. Adair | Senior Vice President, Operations | \$65,000 |

In addition to the cash bonuses listed above, Messrs. Atsinger, Epperson, Davis and Evans were granted options to purchase shares of the Company's Class A common stock as reported by the recipients of these option grants via separate filings made on Form 4 with the Securities and Exchanges Commission. Robert C. Adair was also granted an option to purchase 5,000 shares of the Company's Class A common stock. This option has an exercise price of \$13.51, the closing price on the date the option was granted, and the option will vest in four equal installments, commencing on March 15, 2007.

Annual bonuses are designated to reward attainment of short-term and long-term goals and reflect both Company and individual performance. In determining the amounts of cash bonuses and stock options to be awarded to each named executive officer, the Board of Directors evaluated each executive's performance by considering a variety of factors, including, among others, their ability to develop successful strategies, drive results and achieve favorable financial results for the Company in 2005. Stock option awards to the Company's officers, including the named executive officers set forth above, are granted pursuant to the Amended and Restated 1999 Stock Incentive Plan that was last approved by our stockholders in June 2005.

The Company intends to provide additional information regarding the compensation given to the named executive officers during the year ended December 31, 2005, in the Form 10-K for the Company's fiscal year ended December 31, 2005, which will be filed with the United States Securities and Exchange Commission.

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: March 17, 2006

By: /s/ EVAN D. MASYR

Evan D. Masyr

Vice President - Accounting and Finance