

SALEM COMMUNICATIONS CORP /DE/  
Form SC 13G  
February 23, 2004

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

**SCHEDULE 13G**

**Under the Securities Exchange Act of 1934  
(Amendment No. 3)\***

**Salem Communications Corporation**

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(Name of Issuer)

**Class A Common Stock, \$0.01 par value per share**

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(Title of Class of Securities)

**794093 10 4**

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(CUSIP Number)

**February 17, 2004**

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(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 ( Act ) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

1. NAME OF REPORTING PERSONS:  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Stuart W. Epperson, Sr.,\* individually and as Trustee of (i) the Epperson 1999 Trust No. 1 U/A DTD 3/31/99, a grantor remainder annuity trust ( Epperson GRAT ), (ii) Stuart W. Epperson, Trustee, Kathryn Epperson Fonville Trust U/A DTD 3/31/99 ( Kathryn Trust ), (iii) Stuart W. Epperson, Trustee, Stuart W. Epperson, Jr. Trust U/A DTD 3/31/99 ( Stuart Trust ), (iv) Stuart W. Epperson, Trustee, Kristine J. Epperson McBride Trust U/A DTD 3/31/99 ( Kristine Trust ), (v) Stuart W. Epperson, Trustee, Karen Epperson Deneui Trust U/A DTD 3/31/99 ( Karen Trust ) and (vi) Epperson Family 2003 Trust\*\* ( Family Trust ).\*\*\*.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*  
(a)   
(b)

3. SEC USE ONLY:

4. CITIZENSHIP OR PLACE OF ORGANIZATION  
United States of America

NUMBER OF	5.	SOLE VOTING POWER
SHARES		10,500
<hr/>		
BENEFICIALLY	6.	SHARED VOTING POWER
		3,080,621
<hr/>		
OWNED BY	7.	SOLE DISPOSITIVE POWER
EACH		1,238,020
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REPORTING	8.	SHARED DISPOSITIVE POWER
PERSON WITH:		3,080,621

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
4,318,641

10. CHECK BOX IF THE AGGREGATE AMOUNT IN  
ROW (9) EXCLUDES CERTAIN SHARES\*

11. PERCENT OF CLASS REPRESENTED BY  
AMOUNT IN ROW 9  
24.1%

12. TYPE OF REPORTING PERSON\*  
IN, OO (Trustee)

\* Stuart W. Epperson, Sr., is Trustee for the Epperson GRAT for all purposes and is also Trustee for each of the Kathryn Trust, Stuart Trust, Kristine Trust and the Karen Trust (collectively, the Children Trusts ) for all purposes other than voting matters. Kathryn Epperson Fonville, Stuart W. Epperson, Jr., Kristine J. Epperson McBride and Karen Epperson Deneui must act by a majority vote (i.e., 3 of the 4 individuals must vote in favor of a particular matter) to vote the shares contained in the Children Trusts.

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\*\* On July 20, 2003, Stuart W. Epperson and Nancy A. Epperson jointly contributed 20,000 shares of Common Stock (as defined below) to Stuart W. Epperson and Nancy A. Epperson, as Trustees of the Family Trust. Pursuant to a Purchase Agreement, dated July 21, 2003, 100,000 shares of Common Stock were sold by Stuart W. Epperson and Nancy A. Epperson to Stuart W. Epperson and Nancy A. Epperson, as Trustees of the Family Trust.

\*\*\* On December 31, 2003, Stuart W. Epperson and Nancy A. Epperson jointly gifted 808 shares of Common Stock to a custodial account for each of their 11 grandchildren, for a total gift of 8,888 shares. Stuart W. Epperson and Nancy A. Epperson have not retained any voting or dispositive power over such gifted shares.

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1. NAME OF REPORTING PERSONS:  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Nancy A. Epperson\*, \*\*

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2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

(a)

(b)

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3. SEC USE ONLY:

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4. CITIZENSHIP OR PLACE OF ORGANIZATION  
United States of America

NUMBER OF		5. SOLE VOTING POWER	
SHARES			0
<hr/>			
BENEFICIALLY		6. SHARED VOTING POWER	
			3,080,621
<hr/>			
OWNED BY		7. SOLE DISPOSITIVE POWER	
EACH			0
<hr/>			
REPORTING		8. SHARED DISPOSITIVE POWER	
PERSON WITH:			3,080,621

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9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
3,080,621

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10. CHECK BOX IF THE AGGREGATE AMOUNT IN  
ROW (9) EXCLUDES CERTAIN SHARES\*

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11. PERCENT OF CLASS REPRESENTED BY  
AMOUNT IN ROW 9

17.2%

12. TYPE OF REPORTING PERSON\*

IN

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\* On July 20, 2003, Stuart W. Epperson and Nancy A. Epperson jointly contributed 20,000 shares of Common Stock (as defined below) to Stuart W. Epperson and Nancy A. Epperson, as Trustees of the Family Trust. Pursuant to a Purchase Agreement, dated July 21, 2003, 100,000 shares of Common Stock were sold by Stuart W. Epperson and Nancy A. Epperson to Stuart W. Epperson and Nancy A. Epperson, as Trustees of the Family Trust.

\*\* On December 31, 2003, Stuart W. Epperson and Nancy A. Epperson jointly gifted 808 shares of Common Stock to a custodial account for each of their 11 grandchildren, for a total gift of 8,888 shares. Stuart W. Epperson and Nancy A. Epperson have not retained any voting or dispositive power over such gifted shares.

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**Item 1(a). Name of Issuer**

Salem Communications Corporation

**Item 1(b). Address of Issuer's Principal Executive Offices**

4880 Santa Rosa Road  
Suite 300  
Camarillo, California 93012

**Item 2(a). Name of Person Filing**

- (A) Stuart W. Epperson, Sr.
- (B) Nancy A. Epperson.

**Item 2(b). Address of Principal Business Office, or, if None, Residence**

(A) and (B):  
  
4880 Santa Rosa Road  
Suite 300  
Camarillo, California 93012

**Item 2(c). Citizenship**

- (A) United States of America
- (B) United States of America

**Item 2(d). Title of Class of Securities**

This Amendment No. 3 to the Statement on Schedule 13G (this Statement ) relates to the Issuer's Class A Common Stock, \$0.01 par value per share ( Common Stock ).

**Item 2(e). Cusip Number**

794093 10 4

**Item 3.**

Not applicable.

**Item 4. Ownership**

(a) Amount Beneficially Owned:

(A) 4,318,641

Stuart W. Epperson, Sr., is deemed to beneficially own: (i) 10,500 shares subject to currently exercisable options, (ii) 3,080,621 shares, for which he shares voting and dispositive power with his wife, Nancy A. Epperson, and (iii) 1,227,520 shares held in the Children Trusts for which he has sole dispositive power.

(B) 3,080,621

Nancy A. Epperson is deemed to beneficially own 3,080,621 shares, for which she shares voting and dispositive power with her husband, Stuart W. Epperson, Sr.

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(b) Percent of Class:

(A) 24.1%

(B) 17.2%

The percentages in (A) and (B) have been calculated based on 17,941,017 shares of Common Stock issued and outstanding as of October 30, 2003, as reported in the Issuer's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2003, filed with the Securities and Exchange Commission on November 06, 2003 (File No. 0-26497).

(c) Number of shares as to which such person has:

(i) sole power to vote or to direct the vote:

(A) 10,500

(B) 0

(ii) shared power to vote or to direct the vote:

(A) 3,080,621

(B) 3,080,621

(iii) sole power to dispose or to direct the disposition of:

(A) 1,238,020

(B) 0

(iv) shared power to dispose or to direct the disposition of:

(A) 3,080,621

(B) 3,080,621

**Item 5. Ownership of Five Percent or Less of a Class**

Not applicable.

**Item 6. Ownership of More Than Five Percent on Behalf of Another Person**

Not applicable.

**Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company or Control Person**

Not applicable.

**Item 8. Identification and Classification of Members of the Group**

Not applicable.

**Item 9. Notice of Dissolution of Group**

Not applicable.

**Item 10. Certification**

Not applicable.

**Exhibit No. Description**

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- 1 Joint Filing Agreement, incorporated by reference to Amendment No. 2 to the Schedule 13D (File No. 5-58135) filed with the Securities and Exchange Commission on February 14, 2003 by Stuart W. Epperson, Sr. and Nancy A. Epperson.
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**SIGNATURE**

After reasonable inquiry and to the best of the undersigned's knowledge and belief, each of the undersigned certifies that the information set forth in this Amendment No. 3 to Schedule 13G is true, complete and correct.

Dated as of February 19, 2004

/s/ STUART W. EPPERSON, SR.

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Stuart W. Epperson, Sr.

/s/ NANCY A. EPPERSON

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Nancy A. Epperson