

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): July 9, 2002

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, Suite 300 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)

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ITEM 5. OTHER EVENTS.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

SIGNATURE

EXHIBIT INDEX

Exhibit 99.1

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ITEM 5. OTHER EVENTS.

On July 9, 2002, Salem Communications Corporation (Nasdaq:SALM) announced that it had signed an agreement with Susquehanna Radio Corporation to sell its Cincinnati, Ohio country music station, WYGY-FM for \$45.0 million in cash. Pending FCC approval, the company expects to close this transaction in approximately 90 days. A copy of the related press release is attached hereto as Exhibit 99.1.

WYGY-FM a Country music station, was acquired by the company in August 2000. At that time, it had a 2.0 audience share. Today, the station has a 4.0 share, is poised to become a franchise Country music station in Cincinnati and is projected to generate between \$0.7 million and \$1.0 million of broadcast cash flow in 2002. The proceeds from the sale of WYGY-FM will substantially strengthen the company's balance sheet. Upon the close of this acquisition, Salem will continue to own and operate radio stations WBOB-AM, a Sports Talk station and WTSJ-AM, a Christian Teaching/Talk station in the Cincinnati market.

On July 15, 2002, Salem reached a settlement in a legal proceeding against it and its subsidiary OnePlace initiated by Gospel Communications International, Inc. ("GCI"). The demand and the company's cross-complaint related to a written contract between GCI and OnePlace. Separately, Salem also recently settled two other litigation matters. As a result of these settlements, Salem will record a one-time charge of approximately \$2.5 million and a charge against broadcast operating expenses of approximately \$0.2 million in the second quarter of 2002.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(c) Exhibits. The following exhibit is filed with this report on Form 8-K:

Exhibit No.	Description
99.1	July 9, 2002 press release of the Registrant.

its behalf by the undersigned thereunto duly authorized.

SALEM COMMUNICATIONS CORPORATION

Date: July 22, 2002

By: /s/ EILEEN HILL

Eileen Hill
Vice President of Finance

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EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
99.1	July 9, 2002 press release of the Registrant.

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