

**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): September 29, 2023

SALEM MEDIA GROUP, INC.

(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.)

6400 NORTH BELT LINE ROAD
IRVING, TEXAS
(Address of Principal Executive Offices)

75063
(Zip Code)

Registrant's telephone number, including area code: (469) 586-0080

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 (see General Instruction A.2. below):

- 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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, \$0.01 par value per share	SALM	The Nasdaq Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

Asset Purchase Agreement

On September 29, 2023, Salem Web Network, LLC (“SWN”), a subsidiary of Salem Media Group, Inc. (the “Company” or “Salem”) entered into an Asset Purchase Agreement (“APA”) to sell its Salem Church Products business to Gloop Acquisition Corp I, LLC (“Gloop”) for \$30,000,000 (the “Transaction”). Upon closing of the Transaction, SWN shall receive \$22,500,000 in cash and a promissory note in the principal amount of \$7,500,000 (the “Note”), which Note will be secured by a subordinated security interest in the acquired assets and guaranteed by certain personal guarantees. The APA also provides that SWN, Salem and any of their affiliates, shall not engage in, or assist others in engaging in, the Salem Church Products church resources ecommerce retail business (the “Business”) or any competing business anywhere within the United States or any other jurisdiction in which the Business currently operates for a period of five (5) years after the closing date. The APA also contains customary representations, warranties, covenants, conditions to closing, and indemnification obligations of Salem and Gloop. The Transaction is expected to close on or about November 1, 2023 (the “Closing”).

As part of the Transaction, Salem Communications Holding Corporation (“SCHC”), also a subsidiary of Salem, and Gloop will enter into a Transition Services Agreement at Closing pursuant to which SCHC will support Gloop through the migration in the areas of Ecommerce/Revenue Operations, Accounting, Human Resources, technical Resource Support, and Software, among other support functions. In addition to the above agreements, Salem and Gloop Holdings, LLC (“Gloop Holdings”) will enter into a “Series A Preferred Membership Unit Purchase Agreement” (“Membership Interest Purchase Agreement”) pursuant to which Gloop Holdings will issue 833,333 Series A Preferred Membership Units (the “Units”) to Salem. As part of the Membership Interest Purchase Agreement, Salem and certain related parties of Gloop Holdings (the “Obligors”) will enter into a Put Agreement pursuant to which, any time after January 1, 2027, Salem may require the Obligors to purchase the Units for a price of not less than \$10,000,000. In exchange for the Units, effective at the Closing, Salem shall provide Gloop Holdings a credit in the amount of \$10,000,000 (“Advertising Credit”) to be used by Gloop Holdings and its controlled affiliates to purchase fully pre-emptible advertising inventory consisting of spot and digital advertising and promotions on radio stations and websites and other digital media owned and operated by Salem and its subsidiaries, which Advertising Credit must be used between the Closing and December 31, 2028.

ITEM 8.01 OTHER EVENTS

On October 4, 2023, the Company issued a press release announcing the plan to sell its Salem Church Products business and the entry into the Asset Purchase Agreement. A copy of the press release is being filed as Exhibit 99.1 to this current report on Form 8-K and is incorporated herein by reference.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits. The following exhibits are filed with this current report on Form 8-K:

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release of Salem Media Group, Inc. entitled “Salem Media Group Announces Plan to Sell Its Salem Church Product Business”.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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.

Date: October 4, 2023

SALEM MEDIA GROUP, INC.

/s/ Christopher J. Henderson

Christopher J. Henderson

Executive Vice President, General Counsel and Secretary

Salem Media Group Announces Plan to Sell Its Salem Church Product Business

IRVING, Texas —(BUSINESS WIRE)—Salem Media Group, Inc. (NASDAQ: SALM) announced today that it entered into an agreement to sell its Salem Church Products business to Gloop, LLC for \$30 million. When the transaction closes, scheduled for November 1, the parties will also enter into a \$10 million multi-year agreement for Salem to advertise the Gloop platform's products and services across Salem's radio and digital platform that serves the Christian audience.

Salem Church Products creates and distributes resources for churches and ministries in the areas of church media, worship, children's ministry, preaching, teaching and employment through online resources including WorshipHouse Media, SermonSearch, ChurchStaffing, Children's Ministry Deals and many others.

Salem's Chief Operating Officer David Evans said, "We are proud of the Church Products business we have built over the years. What started with a single website – SermonSearch – has grown into a successful organization providing valuable resources and services to local churches and their pastors. Any time we look to sell a business, we look for organizations that share our passion and that can take that business to the next level. Gloop is just such an organization and we couldn't be more thrilled."

Scott Beck, Chief Executive Officer of Gloop said, "Salem has been a tremendous partner for several years. We share their mission to equip and support the mission of the Church. Welcoming the Salem Church Products collection of brands to the Gloop platform will accelerate our ability to connect churches with a broad network of great products and producers in everything from Sunday weekend experiences, children's resourcing, staffing and digital evangelism/discipleship. We are excited to support the Salem Church Products' great leadership team as they accelerate their ability to serve and expand their network."

ABOUT SALEM MEDIA GROUP:

Salem Media Group is America's leading multimedia company specializing in Christian and conservative content, with media properties comprising radio, digital media and book and newsletter publishing. Each day Salem serves a loyal and dedicated audience of listeners and readers numbering in the millions nationally. With its unique programming focus, Salem provides compelling content, fresh commentary and relevant information from some of the most respected figures across the Christian and conservative media landscape. Learn more about Salem Media Group, Inc. at www.salemmedia.com, [Facebook](#) and [Twitter](#).

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