

SALEM COMMUNICATIONS CORP /DE/  
Form SC 13G/A  
July 13, 2012

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

OMB APPROVAL  
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SCHEDULE 13G

Under the Securities Exchange Act of 1934

(Amendment No. 1)\*

Salem Communications Corporation  
(Name of Issuer)

Class A Common Stock, \$0.01 par value  
(Title of Class of Securities)

794093104  
(CUSIP Number)

July 11, 2012  
(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)

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\* 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 Names of Reporting Persons.

I.R.S. Identification Nos. of above persons (entities only)

DG Capital Management, LLC

2 Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

3 SEC Use Only

4 Citizenship or Place of Organization.

Delaware

5 Sole Voting Power

0 shares

6 Shared Voting Power

1,273,206 shares

Refer to Item 4 below.

7 Sole Dispositive Power

0 shares

8 Shared Dispositive Power

1,273,206 shares

Refer to Item 4 below.

9 Aggregate Amount Beneficially Owned by Each Reporting Person

1,273,206 shares

Refer to Item 4 below.

10 Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)  N/A

11 Percent of Class Represented by Amount in Row (9)\*

6.79%

Refer to Item 4 below.

12 Type of Reporting Person (See Instructions)

IA (Investment Adviser)

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- 1 Names of Reporting Persons.  
I.R.S. Identification Nos. of above persons (entities only)

Dov Gertzulin

- 2 Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

- 3 SEC Use Only

- 4 Citizenship or Place of Organization.

United States

- 5 Sole Voting Power

0 shares

- 6 Shared Voting Power

1,273,206 shares

Refer to Item 4 below.

Number  
of Shares  
Beneficially  
Owned by  
Each  
Reporting  
Person With

- 7 Sole Dispositive Power

0 shares

- 8 Shared Dispositive Power

1,273,206 shares

Refer to Item 4 below.

- 9 Aggregate Amount Beneficially Owned by Each Reporting Person

1,273,206 shares

Refer to Item 4 below.

- 10 Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)  N/A

- 11 Percent of Class Represented by Amount in Row (9)\*

6.79%

Refer to Item 4 below.

12 Type of Reporting Person (See Instructions)

IN

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Item 1.

- (a) Name of Issuer  
Salem Communications Corporation
- (b) Address of Issuer's Principal Executive Offices  
  
4880 Santa Rosa Road  
Camarillo, CA 93012

Item 2.

- (a) Name of Person Filing  
  
DG Capital Management, LLC  
Dov Gertzulin
  - (b) Address of Principal Business Office or, if none, Residence  
460 Park Avenue, 13th Floor  
New York, NY 10022
  - (c) Citizenship  
  
DG Capital Management, LLC - Delaware  
Dov Gertzulin - United States
  - (d) Title of Class of Securities  
Class A Common Stock, \$0.01 par value
  - (e) CUSIP Number  
794093104
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Item 3. If this statement is filed pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

- (a)  Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o);
- (b)  Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c);
- (c)  Insurance Company as defined in Section 3(a)(19) of the Act;
- (d)  Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C 80a-8);
- (e)  An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E);
- (f)  An employee benefit plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F);
- (g)  A parent holding company or control person in accordance with § 240.13d-1(b)(1)(ii)(G);
- (h)  A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i)  A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j)  A non-U.S. institution in accordance with §240.13d-1(b)(1)(ii)(J);
- (k)  Group, in accordance with §240.13d-1(b)(1)(ii)(K).

Item 4. Ownership\*\*\*

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

As of July 11, 2012, DG Capital Management, LLC owned 1,273,206 shares of Class A Common Stock. The percentages herein are calculated based upon the 18,762,931 shares of Class A Common Stock issued and outstanding as of May 2, 2012, as reported on the Issuer's Form 10-K filed with the SEC on May 4, 2012.

(a) Amount Beneficially Owned\*\*\*

DG Capital Management, LLC - 1,273,206 shares  
Dov Gertzulin - 1,273,206 shares

(b) Percent of Class

DG Capital Management, LLC - 6.79%  
Dov Gertzulin - 6.79%

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

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

DG Capital Management, LLC - 0 shares  
Dov Gertzulin - 0 shares

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

DG Capital Management, LLC - 1,273,206 shares  
Dov Gertzulin - 1,273,206 shares

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

DG Capital Management, LLC - 0 shares  
Dov Gertzulin - 0 shares

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

DG Capital Management, LLC - 1,273,206 shares  
Dov Gertzulin - 1,273,206 shares

\*\*\* Shares reported herein are held by DG Value Partners, LP, Special Situations, LLC and Special Situations X, LLC (the "DG Entities"), for which DG Capital Management, LLC serves as the investment manager. Dov Gertzulin serves as managing member of DG Capital Management, LLC. Each of the DG Entities beneficially owns less than five percent of the shares reported herein. Each of the Reporting Persons disclaims beneficial ownership of the shares reported herein except to the extent of its or his pecuniary interest therein.

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

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following [  ].

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

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

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Statement is true, complete and correct.

July 13, 2012

DG CAPITAL MANAGEMENT, LLC

By: /s/ Dov Gertzulin  
Dov Gertzulin, Managing Member

/s/ Dov Gertzulin  
Dov Gertzulin