BEASLEY BROADCAST GROUP INC
Form DEF 14A
April 21, 2006

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

# SCHEDULE 14A

**Proxy Statement Pursuant to Section 14(a) of the**

**Securities Exchange Act of 1934**

**(Amendment No. __ )**

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to § 240.14a-12

**BEASLEY BROADCAST GROUP, INC.**

**(Name of Registrant as Specified In Charter)**

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

3033 Riviera Drive

Suite 200

Naples, Florida 34103

(239) 263-5000

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON MAY 24, 2006**

The Annual Meeting of Stockholders of Beasley Broadcast Group, Inc., a Delaware corporation (the Company ), will be held on Wednesday, May 24, 2006, at 11:00 a.m. local time, at the corporate offices of Beasley Broadcast Group, Inc., 3033 Riviera Drive, Suite 200, Naples, Florida for the following purposes:

1. To elect eight directors to hold office until the next Annual Meeting of stockholders and until their respective successors have been elected or appointed;

2. To transact such other business as may properly come before the Annual Meeting and any adjournment or postponement thereof.

The foregoing matters are described in more detail in the enclosed Proxy Statement.

The Company s Board of Directors has fixed March 29, 2006 as the record date for determining stockholders entitled to vote at the Annual Meeting of Stockholders.

The Company s Proxy Statement is attached hereto. Financial and other information about the Company is contained in the enclosed Annual Report to Stockholders for the year ended December 31, 2005.

**You are cordially invited to attend the meeting in person. Your participation in these matters is important, regardless of the number of shares you own. Whether or not you expect to attend in person, we urge you to complete, sign, date and return the enclosed proxy card as promptly as possible in the enclosed envelope. You will be most welcome at the meeting and may then vote in person if you so desire, even though you may have executed and returned the proxy. Any stockholder who executes such a proxy may revoke it at any time before it is exercised.**

By Order of the Board of Directors,

Caroline Beasley, Secretary

Naples, Florida

April 21, 2006

3033 Riviera Drive

Suite 200

Naples, Florida 34103

(239) 263-5000

**PROXY STATEMENT**

The Board of Directors of Beasley Broadcast Group, Inc., a Delaware corporation (the Company ), is soliciting your proxy on the proxy card enclosed with this Proxy Statement. Your proxy will be voted at the Annual Meeting of Stockholders (the Annual Meeting ) to be held on Wednesday, May 24, 2006, at 11:00 a.m. local time, at the corporate offices of Beasley Broadcast Group, Inc., 3033 Riviera Drive, Suite 200, Naples, Florida, and any adjournment or postponement thereof. This Proxy Statement, the accompanying proxy card and the Company s Annual Report to Stockholders are first being mailed to stockholders on or about April 21, 2006.

**VOTING SECURITIES**

**Voting Rights and Outstanding Shares**

Only stockholders of record on the books of the Company as of 5:00 p.m., March 29, 2006, which is the Record Date, will be entitled to vote at the Annual Meeting. At the close of business on March 29, 2006, the Company had 7,895,031 shares of Class A Common Stock outstanding (the Class A Shares ), and 16,712,743 shares of Class B Common Stock outstanding (the Class B Shares and together with the Class A Shares, the Common Stock ).

Under the Company s Restated Certificate of Incorporation and Bylaws, in the election of directors, the holders of the Class A Shares are entitled by class vote, exclusive of all other stockholders, to elect two of the Company s directors, with each Class A Share being entitled to one vote. With respect to the election of the other six directors and all other matters submitted to the stockholders for vote, the holders of Class A Shares and Class B Shares shall vote as a single class, with each Class A Share being entitled to one vote and each Class B Share entitled to ten votes.

Votes cast by proxy or in person at the Annual Meeting will be tabulated by the Inspector of Elections with the assistance of the Company s transfer agent. Except with respect to the election of directors (which is discussed separately under Proposal 1: Election of Directors ) and except in certain other specific circumstances, the affirmative vote of a majority of votes cast in person or by proxy at a duly held meeting at which a quorum is present is required under Delaware law and our Bylaws for approval of proposals presented to stockholders.

The Inspector will also determine whether or not a quorum is present. Our Bylaws provide that a quorum consists of a majority of the votes entitled to be cast and present in person or represented by proxy. The Inspector will treat abstentions as shares that are present and entitled to vote for purposes of determining the presence of a quorum. An abstention is deemed present but it is not deemed a vote cast. Broker non-votes occur when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power on that item and has not received instructions from the beneficial owner. Abstentions and broker non-votes are included in determining whether a quorum is present but are not included in the tabulation of the voting results. As such, abstentions and broker non-votes do not affect the voting results with respect to the election of directors or the issues requiring the affirmative vote of a majority of the votes cast at the annual meeting. Abstentions and broker non-votes will have the effect of a vote against the approval of any items requiring the affirmative vote of the holders of a majority or greater of the outstanding common stock.

The shares represented by the proxies received, properly dated and executed and not revoked will be voted at the Annual Meeting in accordance with the instructions of the stockholders. A proxy may be revoked at any time before it is exercised by:

- Delivering written notice of revocation to the Company, Attention: Caroline Beasley;
- Delivering a duly executed proxy bearing a later date to the Company; or
- Attending the Annual Meeting and voting in person.

Any proxy that is returned using the form of proxy enclosed and that is not marked as to a particular item will be voted FOR the election of directors and as the proxy holders deem advisable on other matters that may come before the meeting. If a broker indicates on the enclosed proxy or its substitute that it does not have discretionary authority as to certain shares to vote on a particular matter, those shares will not be considered as present with respect to that matter. The Company believes that the tabulation procedures to be followed by the Inspector are consistent with the general statutory requirements in Delaware concerning voting of shares and determination of a quorum.

The cost of soliciting proxies will be borne by the Company. In addition, the Company may reimburse brokerage firms and other persons representing beneficial owners of shares for their expenses in forwarding solicitation material to such beneficial owners.

Proxies may also be solicited by certain of the Company s directors, officers and regular employees, without additional compensation, personally or by telephone or telegram.

## PROPOSAL NO. 1: ELECTION OF DIRECTORS

Eight directors are to be elected at the Annual Meeting to serve until the next Annual Meeting of stockholders or until their respective successors are elected or appointed. Nominees for election to the Board of Directors shall be approved by the following vote:

- For Nominees to be Elected by the Holders of the Class A Shares: by a plurality of the votes cast by the holders of Class A Shares present in person or by proxy at the Annual Meeting, with each share being entitled to one vote.
- For Nominees to be Elected by the Holders of All Classes of Common Stock: by a plurality of the votes cast by the holders of all classes of Common Stock present in person or by proxy at the Annual Meeting, with each Class A Share being entitled to one vote and each Class B Share being entitled to ten votes.

Abstentions from voting on the election of directors, including broker non-votes, will have no effect on the outcome of the election of directors. In the event any nominee is unable or unwilling to serve as a nominee, the proxies may be voted for the balance of those nominees named and for any substitute nominee designated by the present Board of Directors or the proxy holders to fill such vacancy, or for the balance of those nominees named without nomination of a substitute, or the Board of Directors may be reduced in accordance with the Bylaws of the Company. The Board of Directors has no reason to believe that any of the persons named will be unable or unwilling to serve as a nominee or as a director if elected.

**Nominees to be Elected by the Holders of the Class A Shares:**

*Mark S. Fowler*, age 64, has been a director of Beasley Broadcast Group, Inc. since February 2000 and served as Chairman of AssureSat, Inc., a satellite services provider which he co-founded in 1997 until the company was sold in December 2004. Mr. Fowler was a communications counsel at the law firm of Latham & Watkins LLP from 1987 until 2000 and in that capacity practiced before the FCC. Mr. Fowler is also a director of TalkAmerica, Inc., a publicly held company. Mr. Fowler served as Chairman of the FCC from 1981 until 1987.

*Herbert W. McCord*, age 63, has been a director of Beasley Broadcast Group, Inc. since May 2000. Mr. McCord currently is President of Granum Communications Corporation, a management consulting firm

2

specializing in the radio industry, which he founded in 1996. Prior to starting Granum, Mr. McCord worked in the radio industry at the station and management levels for over twenty years. Mr. McCord serves as a member of the Executive Committee for the Board of Directors of the Radio Advertising Bureau.

**Nominees to be Elected by the Holders of All Classes of Common Stock:**

*George G. Beasley*, age 73, founded Beasley Broadcast Group, Inc. in 1961 and has served since inception as the Company s Chairman and Chief Executive Officer. Mr. Beasley served on the North Carolina Association of Broadcasters Board of Directors for eight years and has served that Association as President and Vice President. Mr. Beasley has a B.A. and M.A. from Appalachian State University. George G. Beasley is the father of Bruce G. Beasley, Caroline Beasley and Brian E. Beasley.

*Bruce G. Beasley*, age 48, has served as Beasley Broadcast Group, Inc. s President and Chief Operating Officer since 1997, Co-Chief Operating Officer from February 2001 until February 2006, and as a director since 1980. He began his career in the broadcasting business with the Company in 1975 and since that time has served in various capacities including General Sales Manager of a radio station, General Manager of a radio station and Vice President of Operations of the Company. Currently, Mr. Beasley oversees the operations of all radio stations. Mr. Beasley serves on the Board of Directors of the Radio Advertising Bureau. Mr. Beasley has a B.S. from East Carolina University. Mr. Beasley is the son of George G. Beasley and the brother of Caroline Beasley and Brian E. Beasley.

*Caroline Beasley*, age 43, has served as Beasley Broadcast Group, Inc. s Vice President, Chief Financial Officer and Secretary since 1994 and as a director since 1983. She joined the Company in 1983 and since that time has served in various capacities including Business Manager, Assistant Controller and Corporate Controller. Ms. Beasley serves on the Board of Directors and the Audit Committee of the National Association of Broadcasters and is a member of the Broadcast and Cable Financial Management Association. Ms. Beasley is also a director of Bank of Florida, Naples. Ms. Beasley has a B.S. from the University of North Carolina. Ms. Beasley is the daughter of George G. Beasley and the sister of Bruce G. Beasley and Brian E. Beasley.

*Brian E. Beasley*, age 46, has served as Beasley Broadcast Group, Inc. s Vice President of Operations since 1997 and as a director since 1982. He began his career in broadcasting during high school in 1977. He joined the Company full-time in 1982 as General Manager of the previously-owned cable TV division. In 1985, he became Senior Account Executive of a radio station. Since that time, Mr. Beasley has served as General Manager of three different radio stations and most recently has been named Vice President of Operations. Mr. Beasley serves on the Board of Directors of the North Carolina Association of Broadcasters. Mr. Beasley has a B.S. from East Carolina University. Mr. Beasley is the son of George G. Beasley and the brother of Bruce G. Beasley and Caroline Beasley.

*Allen B. Shaw*, age 62, joined Beasley Broadcast Group, Inc. as the Vice Chairman of the Board of Directors and Co-Chief Operating Officer in February 2001 as part of the Company s acquisition of Centennial Broadcasting. On January 31, 2006, Mr. Shaw s original employment agreement expired and was not renewed. Effective February 1, 2006, Mr. Shaw serves solely as Vice Chairman of the Board of Directors. From 1990 to February 2001, Mr. Shaw was the President and Chief Executive Officer of Centennial Broadcasting and he resumed those positions with a new entity called Centennial Broadcasting effective October 1, 2004. Mr. Shaw previously served as the Chief Operating Officer of the Company from 1985 to 1990.

*Joe B. Cox*, age 66, has been a director of Beasley Broadcast Group, Inc. since February 2000. Mr. Cox is a partner at the law firm of Cox & Nici. Mr. Cox has practiced law for 40 years, primarily in the tax, corporate and estate law areas. Mr. Cox is also a director of Bancshares of Florida, a publicly held company.

Unless marked otherwise, proxies received will be voted FOR the election of each of the nominees named above.

**Recommendation of the Board of Directors:**

The Board of Directors recommends a vote FOR the election of all nominees named above.

## THE BOARD OF DIRECTORS AND ITS COMMITTEES

The Company s Board of Directors met five times during 2005 and did not act by unanimous written consent. Each member of the Board attended at least 75% of the aggregate number of meetings of the Board of Directors and attended at least 75% of the aggregate number of meetings of the Committees of the Board of Directors of which he or she was a member.

**Stockholder Communication with Board Members**

Although the Company has not to date developed formal processes by which stockholders may communicate directly to directors, it believes that the informal process, in which stockholder communications which are received by the Secretary for the Board s attention, or summaries thereof, will be forwarded to the Board has served the Board s and the stockholders needs. In view of SEC disclosure requirements relating to this issue, the Board of Directors may consider developing more specific procedures. Until any other procedures are developed and posted on the Company s corporate website, any communications to the Board of Directors should be sent to it in care of the Secretary.

**Board Member Attendance at Annual Meetings**

The Company encourages all of its directors to attend the Annual Meeting of stockholders. The Company generally holds a board meeting coincident with the Annual Meeting to minimize director travel obligations and facilitate their attendance at the stockholders meeting. All of our then-current directors attended the 2005 Annual Meeting of stockholders.

**Controlled Company**

The Company qualifies as a controlled company, within the meaning of Rule 4350(c)(5) of the National Association of Securities Dealers. The Company currently qualifies as a controlled company because more than 50% of the Company s voting power is controlled by the Company s Chairman and Chief Executive Officer, George Beasley. As a result, the Company is not required to have a Board of Directors consisting of a majority of Directors who are independent or compensation committee or nominating committee composed solely of independent directors.

**Committees of the Board of Directors**

During 2005, the Board of Directors had a standing Compensation Committee and an Audit Committee.

The Compensation Committee consists of Messrs. Cox, Fowler, and McCord each of whom is independent as the term independence is defined in Rule 4200(a)(15) of the NASDAQ rules. This Committee is responsible for establishing compensation policies for the Company s executive officers, including the Chief Executive Officer, and reviews of the Company s compensation plans to ensure that they meet corporate objectives. The responsibilities of the Compensation Committee also include administering and interpreting the 2000 Equity Plan of the Company. The Compensation Committee met four times during 2005 and did not act by unanimous written consent.

The Board of Directors currently does not have a nominating committee or a committee performing the functions of a nominating committee. The Board of Directors is not required to have a nominating committee because it is a controlled company as defined in the NASDAQ rules. Although there are no formal procedures for stockholders to nominate persons to serve as directors, the Board of Directors will consider recommendations from stockholders, which should be addressed to Caroline Beasley, Secretary of Beasley Broadcast Group, Inc. at the Company s address. The Company has not adopted a formal process because it believes that the informal consideration process has been adequate to date.

The Audit Committee, established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the Exchange Act ), consists of Messrs. Cox, Fowler and McCord, each of whom is independent as the term independence is defined in Rule 4200(a)(15) of the NASDAQ rules and Rule 10A-3 under the Exchange Act. The Board of Directors has determined that Mr. Cox is an Audit Committee financial expert as that term is defined in the Exchange Act. The responsibilities of the Audit Committee as set forth in its written charter include:

- Recommending to the Board of Directors independent auditors to conduct the annual audit of the Company s financial statements;
- Reviewing the proposed scope of the audit and approving the audit fees to be paid;
- Reviewing the Company s accounting and financial controls with the independent auditors and its financial and accounting staff; and
- Reviewing and approving transactions, other than compensation matters, between the Company and its directors, officers and affiliates.

The Audit Committee met eight times during 2005 and did not act by unanimous written consent.

**AUDIT COMMITTEE REPORT**

To the Board of Directors:

We have reviewed and discussed with management the Company s audited financial statements as of and for the year ended December 31, 2005.

We have discussed with the independent auditors, KPMG LLP, the matters required to be discussed by the Statement on Auditing Standards No. 61, Communication with Audit Committees by the Auditing Standards Board of the American Institute of Certified Public Accountants.

We have received and reviewed the written disclosures and the letter from KPMG LLP required by Independence Standard No. 1, Independence Discussions with Audit Committees, as amended, by the Independence Standards Board, and have discussed with the auditors the auditors independence.

Based on the reviews and discussions referred to above, we recommend to the Board of Directors that the financial statements referred to above be included in the Company s Annual Report on Form 10-K for the year ended December 31, 2005 for filing with the Securities and Exchange Commission.

Joe B. Cox, Chair

Mark S. Fowler

Herbert W. McCord

**Director Compensation**

All of the Company s non-employee directors receive $750 per meeting for attendance at each Board of Directors meeting, $500 per meeting for attendance at each Audit Committee or Compensation Committee meeting, $250 for each meeting deemed to be a telephonic meeting, and are reimbursed for their out-of-pocket travel expenses for each meeting attended. In addition, Mr. Cox received $14,400 and Mr. Fowler and Mr. McCord each received $7,200 for their services on the Audit Committee during 2005.

In 2006, Mr. Cox will receive $25,000 per annum and Mr. Fowler, Mr. McCord and Mr. Shaw will each receive $17,500 per annum for their services on the Board, Audit Committee and Compensation Committee. Per meeting payments will be eliminated. In addition, in January 2006, each non-employee director received 6,000 restricted shares of the Company s Class A common stock under the 2000 Equity Plan. The restricted shares vest over a three-year period.

5

## EXECUTIVE OFFICERS

The executive officers of the Company as of the date of this Proxy Statement are listed below. We described each executive s business experience under Proposal No. 1 Election of Directors. All executive officers hold office until their successors are appointed.

| Name | Age | Position |
|---|---|---|
| George G. Beasley | 73 | Chairman and Chief Executive Officer |
| Bruce G. Beasley | 48 | President, Chief Operating Officer and Director |
| Caroline Beasley | 43 | Vice President, Chief Financial Officer, Secretary, Treasurer and Director |
| Brian E. Beasley | 46 | Vice President of Operations and Director |

## EXECUTIVE OFFICERS COMPENSATION

The following table sets forth certain annual compensation information for the Company s Chief Executive Officer and the other four most highly paid executive officers of the Company whose annual salary exceeded $100,000 as of December 31, 2005 (collectively, the Named Executive Officers ).

## SUMMARY COMPENSATION TABLE

| | | Annual Compensation | | | Long Term Compensation | | |
|---|---|---|---|---|---|---|---|
| Name and Principal Position | Year | Salary | Bonus | Other Annual Compensation | Restricted Stock Awards | Securities Underlying Options/SARs | All Other Compensation |
| George G. Beasley | 2005 | $ 633,046 | $ 200,000 | $ 15,357(1) | $ 862,800(2) | | $ |
| | 2004 | 603,237 | 150,000 | 15,735(1) | | | |
| Chairman and Chief Executive Officer | 2003 | 574,867 | 100,000 | 15,222(1) | | | |
| Bruce G. Beasley | 2005 | 411,951 | 100,000 | 16,997(3) | 862,800(2) | | |
| | 2004 | 392,169 | 75,000 | 18,080(3) | | | |
| President and Co-Chief Operating Officer | 2003 | 373,491 | 50,000 | 15,755(3) | | | |
| Allen B. Shaw | 2005 | 170,446 | 25,000 | | | | |
| | 2004 | 169,133 | 50,000 | | | | |
| Vice Chairman and Co-Chief Operating Officer (4) | 2003 | 158,800 | 50,000 | | | | |
| Caroline Beasley | 2005 | 386,841 | 100,000 | 18,419(5) | 862,800(2) | | |
| | 2004 | 330,383 | 75,000 | 19,534(5) | | | |
| Chief Financial Officer | 2003 | 315,215 | 50,000 | 16,571(5) | | | |
| Brian E. Beasley | 2005 | 380,197 | 100,000 | 16,997(3) | 862,800(2) | | |
| | 2004 | 362,007 | 75,000 | 18,080(3) | | | |
| Vice President of Operations | 2003 | 344,764 | 50,000 | 15,755(3) | | | |

(1) Other annual compensation includes a car allowance of $12,000 per annum and reimbursement for the Named Executive Officer s portion of health, dental and long-term disability insurance premiums.

(2) Represents the grant of 60,000 shares of restricted Class A common stock with a fair value of $14.38 per share to the Named Executive Officer on July 1, 2005, all of which remained restricted as of December 31, 2005, and which had a market value of $810,600 on that date based on a closing price of $13.51 per share on NASDAQ on December 30, 2005. The restricted stock award vests over the three-year period of the current employment agreement for the Named Executive Officer. Prior to vesting, such shares of restricted stock will not have voting rights or receive dividends.

(3) Other annual compensation includes reimbursement for the Named Executive Officer s portion of health, dental and long-term disability insurance premiums.

(4)

On January 31, 2006, Mr. Shaw s original employment agreement expired and was not renewed. Effective February 1, 2006, Mr. Shaw serves solely as Vice Chairman of the Board of Directors.

(5) Other annual compensation includes reimbursement for the Named Executive Officer s portion of health, dental, long-term and short-term disability insurance premiums.

**AGGREGATED OPTION EXERCISES IN 2005**

**AND FISCAL YEAR-END OPTION VALUES**

The following table sets forth information regarding options to purchase share of the Company s Class A common stock. The Company did not grant any options to our Named Executive Officers in the year ended December 31, 2005 nor did any of them exercise any options during that year. None of the unexercised options held as of December 31, 2005 by the Named Executive Officers were in-the-money :

| | Number of Securities Underlying Unexercised Options at Fiscal Year-End(#) | | Value of Unexercised In-The-Money Options at Fiscal Year-End($) | |
|---|---|---|---|---|
| **Name** | **Exercisable** | **Unexercisable** | **Exercisable** | **Unexercisable** |
| George G. Beasley | 487,500 | | | |
| Bruce G. Beasley | 487,500 | | | |
| Allen B. Shaw | | 50,000 | | |
| Caroline Beasley | 487,500 | | | |
| Brian E. Beasley | 487,500 | | | |

**2000 Equity Plan**

The principal purpose of the Equity Plan is to attract, retain and motivate selected officers, employees, consultants and directors through the granting of stock-based compensation awards. The equity plan provides for a variety of compensation awards, including restricted stock, non-qualified stock options, incentive stock options that are within the meaning of Section 422 of the Internal Revenue Code, stock appreciation rights, restricted stock, deferred stock, dividend equivalents, performance awards, stock payments and other stock-related benefits. A total of 4.0 million shares of Class A common stock are currently reserved for issuance under the Equity Plan. As of March 31, 2006, there were 1,025,083 shares available for grant under the Equity Plan. The Equity Plan provides that the Compensation Committee has the authority to select the employees and consultants to whom awards are to be made, to determine the number of shares to be subject to those awards and their terms and conditions, and to make all other determinations and to take all other actions necessary or advisable for the administration of the Equity Plan with respect to employees or consultants.

The Equity Plan also provides that each of the Company s independent director nominees will automatically be granted options to purchase 20,000 shares of the Company s Class A common stock upon his or her initial election to the Board of Directors. The board may make additional option grants to the Company s independent directors from time to time, in its discretion, on such terms as the board determines consistent with the Equity Plan.

As of March 31, 2006, 2.6 million shares of the Company s Class A common stock were subject to stock options held by 37 officers, directors and employees of the Company. On that date, the closing price of the Company s Class A common stock on NASDAQ was $12.13.

Historically, long-term incentive compensation for our executives and certain other employees has taken the form of stock option grants under the Equity Plan. During 2005, the Compensation Committee determined that restricted stock grants were more suitable long-term compensation in order to ensure that the interests of our executives continue to be aligned with our stockholders.

As of March 31, 2006, the Company has granted 0.3 million restricted shares of the Company s Class A common stock to 22 officers, directors and employees.

**Equity Compensation Plan Information**

The following table sets forth certain information with respect to the Company s equity compensation plans as of December 31, 2005.

| Plan Category | Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a) | Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b) | Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plan (Excluding Securities Reflected in Column (a)) (c) |
|---|---|---|---|
| Equity Compensation Plans Approved By Security Holders 2000 Equity Plan | 2,709,334 | $ 15.20 | 1,016,500 |
| Equity Compensation Plans Not Approved By Security Holders | | | |
| Total | 2,709,334 | | 1,016,500 |

**EMPLOYMENT AGREEMENTS**

The Company entered into a three-year employment agreement with George G. Beasley effective as of February 11, 2005 pursuant to which he serves as the Chief Executive Officer and Chairman of the Board of Directors. Pursuant to this agreement, Mr. Beasley receives a stated annual base salary subject to an annual increase of not less than 5% and an annual cash bonus at the discretion of the Compensation Committee. Mr. Beasley also received 60,000 restricted shares of the Company s Class A common stock under the 2000 Equity Plan. The restricted shares vest over the original three-year term of the employment agreement. The employment agreement with Mr. Beasley will be automatically extended for successive one-year periods unless Mr. Beasley or the Company gives notice of non-extension to the other party no later than 90 days before the expiration of the then-applicable term. The Company could incur severance obligations under the terms of the employment agreement in the event that Mr. Beasley s employment is terminated without cause or if he resigns for good reason.

The Company entered into a three-year employment agreement with Bruce G. Beasley effective as of February 11, 2005 pursuant to which he serves as President and Chief Operating Officer. Pursuant to this agreement, Mr. Beasley receives a stated annual base salary subject to an annual increase of not less than 5% and an annual cash bonus at the discretion of the Compensation Committee. Mr. Beasley also received 60,000 restricted shares of the Company s Class A common stock under the 2000 Equity Plan. The restricted shares vest over the original three-year term of the employment agreement. The employment agreement with Mr. Beasley will be automatically extended for successive one-year periods unless Mr. Beasley or the Company gives notice of non-extension to the other party no later than 90 days before the expiration of the then-applicable term. The Company could incur severance obligations under the terms of the employment agreement in the event that Mr. Beasley s employment is terminated without cause or if he resigns for good reason.

The Company entered into a three-year employment agreement with Caroline Beasley effective as of February 11, 2005 pursuant to which she serves as Chief Financial Officer. Pursuant to this agreement, Ms. Beasley receives a stated annual base salary subject to an annual increase of not less than 5% and an annual cash bonus at the discretion of the Compensation Committee. Ms. Beasley also received 60,000 restricted shares of the Company s Class A common stock under the 2000 Equity Plan. The restricted shares vest over the original three-year term of the employment agreement. The employment agreement with Ms. Beasley will be automatically extended for successive one-year periods unless Ms. Beasley or the Company gives notice of non-extension to the other party no later than 90 days before the expiration of the then-applicable term. The Company could incur severance obligations under the terms of the employment agreement in the event that Ms. Beasley s employment is terminated without cause or if she resigns for good reason.

The Company entered into a three-year employment agreement with Brian E. Beasley effective as of February 11, 2005 pursuant to which he serves as Vice President of Operations. Pursuant to this agreement, Mr. Beasley receives a stated annual base salary subject to an annual increase of not less than 5% and an annual cash bonus at the discretion of the Compensation Committee. Mr. Beasley also received 60,000 restricted shares of the Company s Class A common stock under the 2000 Equity Plan. The restricted shares vest over the original three-year term of the employment agreement. The employment agreement with Mr. Beasley will be automatically extended for successive one-year periods unless Mr. Beasley or the Company gives notice of non-extension to the other party no later than 90 days before the expiration of the then-applicable term. The Company could incur severance obligations under the terms of the employment agreement in the event that Mr. Beasley s employment is terminated without cause or if he resigns for good reason.

**COMPENSATION COMMITTEE REPORT ON**

**EXECUTIVE COMPENSATION**

The Compensation Committee is responsible for establishing compensation policies for the Company s executive officers, including the Chief Executive Officer and the other Named Executive Officers, and setting the compensation for these individuals.

The Compensation Committee seeks to achieve two broad goals in connection with the Company s executive compensation programs and decisions regarding individual compensation. First, the Compensation Committee structures executive compensation programs in a manner that the Committee believes will enable the Company to attract and retain key executives. Second, the Compensation Committee establishes compensation programs that are designed to reward executives for the achievement of the business objectives of the Company. In fiscal 2005, executive compensation consisted primarily of cash compensation and restricted stock grants.

Cash compensation paid to the Company s executive officers during 2005 consisted of base salaries and cash bonuses. The base salaries of each of the Company s Named Executive Officers were based on new employment agreements with an effective date of February 11, 2005. In setting base salaries for the Company s executive officers under their employment agreements, the Committee generally considered the experience of the individual, the scope and complexity of the position filled by the individual, the Company s size and growth rate and the compensation paid by the Company s competitors. Each of the Named Executive Officers also received a cash bonus for their contributions to the Company during 2005. In addition, in 2005, each of the Named Executive Officers received restricted shares of the Company s Class A common stock under the 2000 Equity Plan in accordance with the terms of the new employment agreements.

George G. Beasley, the Company s Chief Executive Officer, received $633,046 in annual salary pursuant to his employment agreement and was also awarded a cash bonus of $200,000 in 2005. This bonus represented a 33% increase over the bonus paid to Mr. Beasley in 2004. In determining the amount of Mr. Beasley s cash bonus, the Compensation Committee considered Mr. Beasley s leadership in setting and pursuing the Company s financial, operational and strategic objectives. Specifically, the Compensation Committee considered Mr. Beasley s contribution in leading the Company to a 1.7% gain in net revenue compared to the prior year in an environment where revenue in the Company s markets declined 1.1% and also his leadership in the adoption of HD Radio technology by the Company. The Company was the first in the industry to broadcast a public HD Radio multicast demonstration on a commercial FM station and was first to broadcast an HD radio signal and introduce multicast channels in Miami and Philadelphia. The Company ended 2005 with approximately 40% of its stations converted to HD Radio technology. In addition, Mr. Beasley received 60,000 restricted shares of the Company s Class A common stock under the 2000 Equity Plan. The restricted shares had a fair value of $862,800 on the grant date and will vest over the original three-year term of the employment agreement.

Based on its evaluation of the performance of the executive officers, the Compensation Committee believes that the Company s executive officers are committed to achieving positive long-term financial performance and enhancing shareholder value, and that the compensation policies and programs discussed in this report have motivated the Company s executive officers to work toward these goals.

Section 162(m) of the Internal Revenue Code of 1986 (the Code ) limits the Company s Federal income tax deduction for certain executive compensation in excess of $1 million paid to the Chief Executive Officer and the four next highest paid named executive officers. The $1 million deduction limit does not apply, however, to performance-based compensation as that term is defined in Section 162(m)(4)(C) of the Code and the regulations promulgated thereunder. The Committee recognizes the possibility that if the amount of the base salary of a named executive officer, and other compensation not described in the preceding paragraph exceeds $1 million, it may not be fully deductible for Federal income tax purposes. The Committee will make a determination at any such time whether to authorize the payment of such amounts without regard to deductibility or whether the terms of such payment should be modified as to preserve any deduction otherwise available.

Herbert W. McCord, Chair

Joe B. Cox

Mark S. Fowler

**COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION**

During 2005:

- None of the members of the Compensation Committee was an officer (or former officer) or employee of the Company or any of its subsidiaries;

- None of the members of the Compensation Committee entered into (or agreed to enter into) or had a material interest in any transaction or series of transactions with the Company or any of its subsidiaries in which the amount involved exceeds $60,000;

- None of the Company s executive officers served on the Compensation Committee (or another board committee with similar functions) of any entity where one of that entity s executive officers served on the Company s Compensation Committee;

- None of the Company s executive officers was a director of another entity where one of that entity s executive officers served on the Company s Compensation Committee; and

- None of the Company s executive officers served on the Compensation Committee (or another board committee with similar functions) of another entity where one of that entity s executive officers served as a director on the Company s Board of Directors.

**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS**

**AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

The following table sets forth certain information regarding beneficial ownership of our Class A common stock and Class B common stock as of March 31, 2006 by:

- Each person who is known by the Company to own beneficially more than 5% of our Class A common stock or Class B common stock;

- Each of the Company s directors;

- Each of the Named Executive Officers; and

- All executive officers and directors as a group.

Beneficial ownership of shares is determined under the rules of the Securities and Exchange Commission, and generally includes any shares over which a person exercises sole or shared voting or investment power. Each stockholder possesses sole voting and investment power with respect to the shares listed, unless otherwise noted. Shares of Class B common stock are convertible into shares of Class A common stock on a one-for-one basis. Shares of Class A common stock subject to options currently exercisable or exercisable within 60 days of March 31, 2006 are deemed outstanding for calculating the percentage of outstanding shares of the person holding those options but are not deemed outstanding for calculating the percentage of any other person. Restricted shares of Class A common stock that are currently vested or that will be vested within 60 days (but no other shares of restricted common stock) are deemed outstanding for calculating the percentage of outstanding shares of the person holding those shares of restricted stock. All restricted shares of Class A common stock currently outstanding, whether vested or not, are deemed outstanding for calculating the aggregate number of shares outstanding. The address of each beneficial owner, unless stated otherwise, is c/o Beasley Broadcast Group, 3033 Riviera Drive, Suite 200, Naples, Florida 34103.

| | Common Stock | | | | | |
|---|---|---|---|---|---|---|
| | Class A | | Class B | | Percent of Total Economic Interest (1) | Percent of Total Voting Power (2) |
| Name of Beneficial Owner | Number of Shares | Percent of Class | Number of Shares | Percent of Class | | |
| George G. Beasley | 508,596(3) | 6.3% | 13,670,305(4) | 81.8% | 57.1% | 78.3% |
| Bruce G. Beasley | 513,500(5) | 6.3 | 1,065,158(6) | 6.4 | 6.4 | 6.4 |
| Caroline Beasley | 515,900(7) | 6.4 | 1,065,158(6) | 6.4 | 6.4 | 6.4 |
| Brian E. Beasley | 514,000(8) | 6.3 | 420,265 | 2.5 | 3.8 | 2.7 |
| Deephaven Capital Management<br>130 Cheshire Lane<br>Minnetonka, MN 55305 | 1,798,258 | 23.6 | | | 7.4 | 1.0 |
| Westport Asset Management<br>253 Riverside Avenue<br>Westport, CT 06880 | 1,787,830 | 23.4 | | | 7.3 | 1.0 |
| Gabelli Asset Management<br>One Corporate Center<br>Rye, NY 10580 | 637,180 | 8.4 | | | | |