

SINCLAIR BROADCAST GROUP INC
Form DEF 14A
April 20, 2009
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April 20, 2009

Dear Shareholder:

You are cordially invited to attend the annual meeting of shareholders of Sinclair Broadcast Group, Inc. The annual meeting on June 4, 2009 will be held at Sinclair's corporate office, 10706 Beaver Dam Road, Hunt Valley, Maryland 21030 at 10:00 a.m., local time.

Enclosed with this letter is a notice of the annual meeting of shareholders, a proxy statement, a proxy card and a return envelope. Also enclosed with this letter is Sinclair Broadcast Group, Inc.'s Annual Report to shareholders for the year ended December 31, 2008.

Your vote on these matters is very important. We urge you to review carefully the enclosed materials and to return your proxy promptly. The proxy materials are also available at <http://www.amstock.com/ProxyServices/ViewMaterial.asp?CoNumber=26141>.

You are cordially invited to attend the annual meeting and you may vote in person even though you have returned your proxy card. Whether or not you plan to attend the annual meeting, please sign and promptly return your proxy card in the enclosed postage paid envelope.

Sincerely,

David D. Smith
Chairman of the Board
and Chief Executive Officer

IF YOU PLAN TO ATTEND:

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Please note that space limitations make it necessary to limit attendance at the meeting to our shareholders of record as of March 4, 2009. Registration will begin at 9:30 a.m. and seating will begin at 9:45 a.m. Each shareholder may be asked to present valid picture identification, such as a driver's license or passport. Shareholders holding stock in brokerage accounts (street name holders) will need to bring a copy of a brokerage statement reflecting stock ownership as of March 4, 2009 (record date). Cameras (including cellular phones with photographic capabilities), recording devices and other electronic devices will not be permitted at the meeting.

YOUR VOTE IS IMPORTANT Please execute and return the enclosed proxy card

promptly, whether or not you plan to attend the

Sinclair Broadcast Group, Inc. annual meeting.

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SINCLAIR BROADCAST GROUP, INC.

10706 Beaver Dam Road

Hunt Valley, Maryland 21030

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Important notice regarding the availability of proxy materials

for the shareholder meeting to be held on June 4, 2009.

**The proxy statement and 2008 annual report to shareholders are available at
<http://www.amstock.com/ProxyServices/ViewMaterial.asp?CoNumber=26141>.**

Dear Shareholders:

The annual meeting of Sinclair Broadcast Group, Inc. will be held on June 4, 2009 at our corporate office, 10706 Beaver Dam Road, Hunt Valley, Maryland 21030 at 10:00 a.m. local time to consider and vote upon:

1. The election of eight directors, each for a one-year term;
2. The ratification of the appointment of PricewaterhouseCoopers, LLP as the independent registered public accounting firm of Sinclair for the year ending December 31, 2009;
3. Any other matters as may properly come before the annual meeting.

The Board of Directors recommends that the shareholders vote to elect the Board's nominees for director and to ratify the appointment of PricewaterhouseCoopers, LLP.

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You will be able to vote your shares at the annual meeting if you were a shareholder of record at the close of business on March 4, 2009. Your vote at the annual meeting is very important to us.

BY ORDER OF THE BOARD OF DIRECTORS

J. Duncan Smith, Secretary

Baltimore, Maryland
April 20, 2009

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INFORMATION ABOUT THE 2009 ANNUAL MEETING AND VOTING

The Annual Meeting

The annual meeting will be held on June 4, 2009 at our corporate office, 10706 Beaver Dam Road, Hunt Valley, Maryland 21030 at 10:00 a.m. local time.

This Proxy Solicitation

On or about April 20, 2009, we began mailing this proxy statement to people who, according to our records, owned common shares or beneficial interests in us as of the close of business on March 4, 2009. We are sending you this proxy statement because our Board of Directors is seeking a proxy to vote your shares at the annual meeting. This proxy statement is intended to assist you in deciding how to vote your shares. Proxy materials are also available at <http://www.amstock.com/ProxyServices/ViewMaterial.asp?CoNumber=26141>.

We are paying the cost of soliciting these proxies. Our directors, officers and employees may request proxies in person or by telephone, mail, or letter. We will reimburse brokers and other nominees for their reasonable out-of-pocket expenses for forwarding proxy materials to beneficial owners of our common shares.

Voting Your Shares

The Securities and Exchange Commission (SEC) has adopted a Notice and Access rule that allows companies to deliver a Notice of Internet Availability of Proxy Materials to shareowners in lieu of a paper copy of the proxy statement and the Company's Annual Report to Shareholders.

Shareholders of Record. You may vote your shares at the annual meeting either in person or by proxy. To vote in person, you must attend the annual meeting and obtain and submit a ballot. Ballots for registered shareholders to vote in person will be available at the annual meeting. If your shares are registered directly in your name with our transfer agent, American Stock Transfer & Trust Company, LLC, you are considered the *registered* holder of those shares. As the *registered* stockholder, you can ensure your shares are voted at the meeting by submitting your instructions by completing, signing, dating and returning the enclosed proxy card in the envelope provided.

If you complete the proxy card, except for the voting instructions, then your shares will be voted FOR each of the director nominees identified on the proxy card and FOR ratification of the selection of PricewaterhouseCoopers, LLP as our independent registered public accounting firm for 2009.

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We have described in this proxy statement all the proposals that we expect will be made at the annual meeting. If a shareholder or we properly present any other proposal at the meeting, we will use your proxy to vote your shares on the proposal in our best judgment.

Your proxy card will be valid only if you sign, date and return it in time for it to be received by us before the annual meeting scheduled to be held on June 4, 2009.

Beneficial Owners. Most of our stockholders hold their shares through a broker, bank, trustee or another nominee, rather than registered directly in their name (which is often referred to as "street name"). In that case, you are considered the *beneficial owner* of shares held in street name, and the proxy materials including a notice enabling you to receive proxy material through the mail are being forwarded to you by your broker, bank, trustee or nominee. As the *beneficial owner*, you are entitled to direct the voting of your shares by your intermediary. Brokers, banks and nominees typically offer telephonic or electronic means by which the *beneficial owners* of shares held by them can submit voting instructions, in addition to the traditional mailed voting instruction cards. If you are a *beneficial owner* of shares, you cannot vote in person at the annual meeting unless you have a proper power of attorney from your broker. Votes directed through such a broker must be received by us before the annual meeting.

If you hold your shares in street name with a broker and you do not tell your broker how to vote, your broker has the authority to vote on proposals 1 and 2. Abstentions and broker non-votes (where a broker or nominee is not permitted to exercise discretionary authority to vote on a matter and has not received voting instructions from the beneficial owner) are not counted as votes cast on any matter to which they relate and will not affect the outcome of any proposal being voted on at the annual meeting, but are counted in determining the presence of a quorum.

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Revoking Your Proxy

If you decide to change your vote, you may revoke your proxy at any time before it is voted at the annual meeting. You may revoke your proxy by any one of three ways:

- you may notify our Secretary in writing that you wish to revoke your proxy, at the following address: Sinclair Broadcast Group, Inc., 10706 Beaver Dam Road, Hunt Valley, Maryland, 21030, Attention: J. Duncan Smith, Vice President and Secretary. We must receive your notice before the time of the annual meeting;
- you may submit a proxy dated later than your original proxy; or
- you may attend the annual meeting and vote. Merely attending the annual meeting will not by itself revoke a proxy; you must obtain a ballot and vote your shares to revoke the proxy and in the case of shares held in street name you must obtain a proper power of attorney from your broker to vote your shares.

Vote Required for Approval

Shares Entitled to Vote. On March 4, 2009 (the record date), the following shares were issued and outstanding and had the votes indicated:

- 46,376,653 shares of Class A Common Stock, each of which is entitled to one vote on each of the proposals, and
- 34,453,859 shares of Class B Common Stock, each of which is entitled to ten votes on each of the proposals

Quorum. A majority of the outstanding shares of common stock entitled to vote, or a quorum, must be present at the annual meeting in order to transact business. A quorum will be present if 195,457,623 votes are represented at the annual meeting, either in person (by the shareholders) or by proxy. If a quorum is not present, a vote cannot occur. In deciding whether a quorum is present, abstentions and broker non-votes will be counted as shares that are represented at the annual meeting.

Votes Required. The votes required on each of the proposals are as follows:

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- Proposal 1: Election of Eight Directors The eight nominees for director who receive the most votes will be elected. This is called a plurality. If you indicate withhold authority to vote for a particular nominee on your proxy card, your vote will not count either for or against the nominee.
- Proposal 2: Ratification of Selection of Independent Registered Public Accounting Firm The affirmative vote of a majority of the votes cast at the annual meeting is required to ratify the Audit Committee's selection of the independent registered public accounting firm. If you abstain from voting, your abstention will not count as a vote cast for or against the proposal.

Additional Information

We are mailing our annual report to registered shareholders for the year ended December 31, 2008, including consolidated financial statements, to all shareholders entitled to vote at the annual meeting together with this proxy statement. The annual report does not constitute a part of the proxy solicitation material. Proxy materials are also available to registered shareholders at <http://www.amstock.com/ProxyServices/ViewMaterial.asp?CoNumber=26141> and to beneficial owners at www.proxyvote.com. The annual report includes details on how to get additional information about us.

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PROPOSAL 1: ELECTION OF DIRECTORS

Nominees for election to the Board of Directors are:

David D. Smith

Frederick G. Smith

J. Duncan Smith

Robert E. Smith

Daniel C. Keith

Martin R. Leader

Lawrence E. McCanna

Basil A. Thomas

Each director will be elected to serve for a one-year term, unless he resigns or is removed before his term expires, or until his replacement is elected and qualified. Each of the nominees listed above is currently a member of the Board of Directors and each of them has consented to serve as a director if elected. More detailed information about each of the nominees is available in the section of this proxy statement titled *Directors, Executive Officers and Key Employees*.

If any of the nominees cannot serve for any reason (which is not anticipated), the Board of Directors may designate a substitute nominee or nominees. If a substitute is nominated, we will vote all valid proxies for the election of the substitute nominee or nominees. Alternatively, the Board of Directors may also decide to leave the board seat or seats open until a suitable candidate or candidates are located, or it may decide to reduce the size of the Board.

The Amended and Restated Certificate of Incorporation provides that our business shall be managed by a Board of Directors of not less than three and not more than thirteen directors with the number of directors to be fixed by the Board of Directors from time to time. The Board of Directors has presently established the size of the Board at eight members. Proxies for the annual meeting may not be voted for more than eight nominees.

Messrs. David, Duncan and Robert Smith and Dr. Frederick Smith (collectively, the controlling shareholders) are brothers and have entered into a shareholders agreement pursuant to which they have agreed to vote for each other as candidates for election to the Board of Directors until June 13, 2015. The controlling shareholders own collectively 86.8% of the total voting power.

The Board of Directors recommends a vote FOR each of the nominees to the Board of Directors.

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PROPOSAL 2: RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Board of Directors has sole responsibility for the selection of our independent registered public accounting firm and has appointed PricewaterhouseCoopers, LLP (PricewaterhouseCoopers) as our independent registered public accounting firm for the fiscal year ending December 31, 2009. The Board of Directors recommends ratification of this appointment by the shareholders. If the shareholders do not ratify the appointment of PricewaterhouseCoopers, the Audit Committee will reevaluate the engagement of the independent registered public accounting firm. Even if the appointment is ratified, the Audit Committee, in its discretion, may nevertheless appoint another independent registered public accounting firm at any time during the year if the Audit Committee determines that such a change would be in the best interests of the shareholders. Ernst & Young LLP (Ernst & Young) has served as our independent registered public accounting firm since 2002. Information regarding this change of independent registered public accounting firm is available below.

A representative of PricewaterhouseCoopers is expected to attend the annual meeting. The PricewaterhouseCoopers representative will have the opportunity to make a statement if he or she desires to do so and will be able to respond to appropriate questions from shareholders.

The Board of Directors recommends a vote FOR ratification of the appointment of PricewaterhouseCoopers, LLP.

Information regarding change of independent registered public accounting firm

The reports of Ernst & Young on the Company's consolidated financial statements for the fiscal years ended December 31, 2008 and 2007 did not contain an adverse opinion or a disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope, or accounting principles.

During the years ended December 31, 2008 and 2007, and through March 5, 2009, there were no (a) disagreements with Ernst & Young on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to Ernst & Young's satisfaction, would have caused Ernst & Young to make reference to the subject matter thereof in connection with its reports for such years, (b) reportable events, as described under Item 304(a)(1)(v) of Regulation S-K, or (c) consultations with PricewaterhouseCoopers regarding any of the matters or events set forth in Item 304(a)(2)(i) and (ii) of Regulation S-K.

Additional information regarding fees paid to Ernst & Young is available in the section of this proxy statement titled *Audit Committee, Audit Fees and Auditor Independence*.

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There were 80,830,512 shares of our common stock issued and outstanding on March 4, 2009, consisting of 46,376,653 shares of Class A Common Stock and 34,453,859 shares of Class B Common Stock. The following table shows how many shares were owned by the following categories of persons as of that date:

- persons known to us who beneficially own more than 5% of the shares;
- each director and each executive officer described on the Summary Compensation Table ; and
- directors and all executive officers as a group.

Name	Shares of Class B Common Stock Beneficially Owned (a)		Shares of Class A Common Stock Beneficially Owned		Percent of Total Voting Power (c)
	Number	Percent	Number	Percent (b)	
David D. Smith	9,349,925	27.1%	10,539,928(d)	18.7%	24.2%
J. Duncan Smith	10,000,000	29.0%	10,080,087(e)	17.9%	25.6%
Robert E. Smith	7,430,855	21.6%	8,223,329(f)	15.2%	19.2%
Frederick G. Smith	6,957,673	20.2%	7,455,689(g)	14.0%	17.9%
Steven M. Marks			97,153(h)	*	*
David B. Amy			82,518(i)	*	*
Barry M. Faber			36,876(j)	*	*
Lucy A. Rutishauser			22,299(k)	*	*
Martin R. Leader			31,415	*	*
Basil A. Thomas			22,545	*	*
Lawrence E. McCanna			14,600	*	*
Daniel C. Keith			14,000	*	*
Barclays Global Investors, NA. 400 Howard Street San Francisco, CA 94105			3,827,420(l)	8.3%	1.0%
LSV Asset Management 1 N. Wacker Drive, Suite 4000 Chicago, IL 60606			3,726,077(m)	8.0%	1.0%
GAMCO Investors, Inc. One Corporate Center Rye, NY 10580-1435			2,775,747(n)	6.0%	*
Earnest Partners, LLC 1180 Peachtree Street NE, Suite 2300 Atlanta, GA 30309			2,928,137(o)	6.3%	*

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Dimensional Fund Advisor LP
Palisades West, Building One
6300 Bee Cave Road
Austin, Texas 78746
The Vanguard Group, Inc.
100 Vanguard Boulevard
Malvern, PA 19355

2,921,319(p)

6.3%

*