Griess Bret C
Form 4
March 13, 2013

# FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

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

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL
OMB Number: 3235-0287
Expires: January 31, 2005
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Griess Bret C

(Last) (First) (Middle)

9555 MAROON CIRCLE

(Street)

ENGLEWOOD, CO 80112

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
CSG SYSTEMS INTERNATIONAL INC [CSGS]

3. Date of Earliest Transaction (Month/Day/Year)
03/11/2013

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
EVP & Chief Operating Officer

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1.Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock (1) | 03/11/2013 | | F | | 1,618 | D | $ 19.42 | 183,161 | D | |
| Common Stock (2) | 03/11/2013 | | F | | 2,427 | D | $ 19.42 | 180,734 | D | |
| Common Stock (3) | 03/11/2013 | | F | | 2,427 | D | $ 19.42 | 178,307 | D | |
| Common Stock (4) | 03/11/2013 | | F | | 3,205 | D | $ 19.42 | 175,102 | D | |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**
**(*e.g.*, puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | | 8. Price of Derivative Security (Instr. 5) | 9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | |

## Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---|---|---|---|
| | Director | 10% Owner | Officer | Other |
| Griess Bret C<br>9555 MAROON CIRCLE<br>ENGLEWOOD, CO 80112 | | | EVP & Chief Operating Officer | |

## Signatures

| Bret C. Griess | 03/12/2013 |
|---|---|
| **Signature of Reporting Person | Date |

## Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

**(1)** 5,000 shares of restricted stock held by Mr. Bret C. Griess vested on March 11, 2013. The sold shares reported on this form represent those shares sold to cover a portion of the personal income tax withholding requirements as a result of such vesting.

**(2)** 7,500 shares of restricted stock held by Mr. Bret C. Griess vested on March 11, 2013. The sold shares reported on this form represent those shares sold to cover a portion of the personal income tax withholding requirements as a result of such vesting.

**(3)** 7,500 shares of restricted stock held by Mr. Bret C. Griess vested on March 11, 2013. The sold shares reported on this form represent those shares sold to cover a portion of the personal income tax withholding requirements as a result of such vesting.

**(4)** 9,896 shares of restricted stock held by Mr. Bret C. Griess vested on March 11, 2013. The sold shares reported on this form represent those shares sold to cover a portion of the personal income tax withholding requirements as a result of such vesting.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. -top:12px;margin-bottom:0px; text-indent:4%">*Income Tax Expense.* Our effective tax rate was approximately 40% for the three months ended September 30, 2010 and 2011, which differ from the federal statutory rate of 34% due to the effect of state income taxes and certain of our expenses that are not deductible for tax purposes.

*Net Income.* Net income for the three months ended September 30, 2011 increased $0.3 million as a result of the factors described above.

**Nine Months Ended September 30, 2011 Compared to the Nine Months Ended September 30, 2010**

The following summary table presents a comparison of our results of operations for the nine months ended September 30, 2010 and 2011 with respect to certain of our key financial measures. The changes illustrated in the table are discussed in greater detail below. This section should be read in conjunction with the financial statements and notes to financial statements included in Item 1 of this report.

| | Nine months ended September 30, | | Change | |
|---|---|---|---|---|
| | 2010 | 2011 | $ | % |
| Net revenue | $ 70,985,024 | $ 72,541,406 | $ 1,556,382 | 2.2% |
| Station operating expenses | 48,026,225 | 47,603,394 | (422,831) | (0.9) |
| Corporate general and administrative expenses | 5,900,180 | 6,107,011 | 206,831 | 3.5 |
| Interest expense | 7,572,443 | 5,967,924 | (1,604,519) | (21.2) |
| Income tax expense | 3,167,183 | 4,511,359 | 1,344,176 | 42.4 |
| Net income | 4,653,024 | 6,710,928 | 2,057,904 | 44.2 |

*Net Revenue.* The $1.6 million increase in net revenue during the nine months ended September 30, 2011 was primarily due to a $1.1 million increase in advertising revenue at our Philadelphia market cluster.

*Station Operating Expenses.* The $0.4 million decrease in station operating expenses during the nine months ended September 30, 2011 was primarily due to a $0.6 million decrease at our Miami-Fort Lauderdale market cluster resulting from cost containment measures.

*Corporate General and Administrative Expenses.* Corporate general and administrative expenses during the nine months ended September 30, 2011 were comparable to the same period in 2010.

*Interest Expense.* The $1.6 million decrease in interest expense during the nine months ended September 30, 2011 was due to repayments of borrowings under our credit facility and the expiration of an interest rate swap agreement during the first quarter of 2011.

*Income Tax Expense.* Our effective tax rate was approximately 40% for the nine months ended September 30, 2010 and 2011, which differ from the federal statutory rate of 34% due to the effect of state income taxes and certain of our expenses that are not deductible for tax purposes.

*Net Income.* Net income for the nine months ended September 30, 2011 increased $2.1 million as a result of the factors described above.

**Liquidity and Capital Resources**

*Overview.* Our primary sources of liquidity are internally generated cash flow and our revolving credit loan. Our primary liquidity needs have been, and for the next twelve months and thereafter are expected to continue to be, for working capital, debt service, and other general corporate purposes, including capital expenditures and radio station acquisitions. Historically, our capital expenditures have not been significant. In addition to property and equipment associated with radio station acquisitions, our capital expenditures have generally been, and are expected to continue to be, related to the maintenance of our studio and office space and the technological improvement, including upgrades necessary to broadcast HD Radio, and maintenance of our broadcasting towers and equipment. We have also purchased or constructed office and studio space in some of our markets to facilitate the consolidation of our operations.

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Our credit agreement prohibits us from repurchasing additional shares of our common stock until our consolidated total debt is less than five times our consolidated operating cash flow at which time we are permitted to repurchase up to an aggregate of $10.0 million of our common stock. Our credit agreement does permit us to repurchase up to $0.5 million of our common stock per year in connection with the vesting of restricted stock. We repurchased 33,983 shares of our Class A common stock for an aggregate $0.2 million during the nine months ended September 30, 2011.

Our credit agreement prohibits us from paying cash dividends on our common stock until our consolidated total debt is less than five times our consolidated operating cash flow at which time we are permitted to pay cash dividends in an amount up to an aggregate of $5.0 million per year. We did not pay any cash dividends during the nine months ended September 30, 2011.

We expect to provide for future liquidity needs through one or a combination of the following sources of liquidity:

- internally generated cash flow;
- our credit facility;
- additional borrowings, other than under our existing credit facility, to the extent permitted thereunder; and
- additional equity offerings.

We believe that we will have sufficient liquidity and capital resources to permit us to provide for our liquidity requirements and meet our financial obligations for the next twelve months. However, poor financial results, unanticipated acquisition opportunities or unanticipated expenses could give rise to defaults under our credit facility, additional debt servicing requirements or other additional financing or liquidity requirements sooner than we expect and we may not secure financing when needed or on acceptable terms.

Our ability to reduce our total debt ratio, as defined by our credit agreement, by increasing operating cash flow and/or decreasing long-term debt will determine how much, if any, of the remaining commitments under the revolving portion of our credit facility will be available to us in the future. Poor financial results or unanticipated expenses could result in our failure to maintain or lower our total leverage ratio and we may not be permitted to make any additional borrowings under the revolving portion of our credit facility.

The following summary table presents a comparison of our capital resources for the nine months ended September 30, 2010 and 2011 with respect to certain of our key measures affecting our liquidity. The changes set forth in the table are discussed in greater detail below. This section should be read in conjunction with the financial statements and notes to financial statements included in Item 1 of this report.

| | **Nine months ended September 30,** | |
|---|---|---|
| | **2010** | **2011** |
| Net cash provided by operating activities | $ 11,682,916 | $ 15,635,759 |
| Net cash used in investing activities | (502,222) | (1,679,625) |
| Net cash used in financing activities | (7,447,218) | (9,526,088) |
| Net increase in cash and cash equivalents | $ 3,733,476 | $ 4,430,046 |

*Net Cash Provided By Operating Activities.* Net cash provided by operating activities increased by $4.0 million during the nine months ended September 30, 2011 compared to the same period in 2010 primarily due to a $2.6 million decrease in cash paid for station operating expenses, a $1.9 million increase in cash receipts from the sale of advertising airtime, and a $1.6 million decrease in cash paid for interest. These increases were partially offset by a $1.7 million increase in income taxes due to cash payments of $0.9 million in 2011 and cash refunds of $0.8 million in 2010.

*Net Cash Used In Investing Activities.* Net cash used in investing activities during the nine months ended September 30, 2011 was primarily due to cash payments for capital expenditures of $1.0 million and to cash payments of $0.8 million for investments. Net cash used in investing activities for the same period in 2010 was primarily due to cash payments for capital expenditures of $0.7 million.

*Net Cash Used In Financing Activities.* Net cash used in financing activities in the nine months ended September 30, 2011 was primarily due to repayments of $9.4 million under our credit facility. Net cash used in financing activities for the same period in 2010 was primarily due to repayments of $6.5 million under our credit facility, payments of $0.6 million of loan fees related to the amended credit agreement, and $0.3 million for purchases of our Class A common stock.

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*Credit Facility.* As of October 28, 2011, the outstanding balance of our credit facility was $132.6 million. As of September 30, 2011, the credit facility consists of a revolving credit loan with a maximum commitment of $65.0 million and a term loan with a remaining balance of $77.8 million. As of September 30, 2011, we had $10.2 million in remaining commitments available under the revolving credit loan of our credit facility. The revolving credit loan includes a $5.0 million sub-limit for letters of credit which may not be increased. At our election, the revolving credit loan and term loan may bear interest at either the base rate or LIBOR plus a margin that is determined by our debt to operating cash flow ratio. The base rate is equal to the higher of the prime rate, the federal funds effective rate, or the one month LIBOR quoted rate plus 1.0%. Interest on base rate loans is payable quarterly through maturity. Interest on LIBOR loans is payable on the last day of the selected LIBOR period and, if the selected period is longer than three months, every three months after the beginning of the LIBOR period. The revolving credit loan and term loan carried interest, based on LIBOR, at 4.0625% and 3.75% as of December 31, 2010 and September 30, 2011, respectively, and mature on June 30, 2015. The scheduled reductions in the amount available under the revolving credit loan may require principal repayments if the outstanding balance at that time exceeds the maximum amount available under the revolving credit loan.

As of September 30, 2011, the scheduled repayments of the credit facility for the remainder of 2011 and the next four years are as follows:

| | Revolving credit loan | Term loan | Total credit facility |
|---|---|---|---|
| 2011 | $ | $ 1,808,450 | $ 1,808,450 |
| 2012 | | 7,233,801 | 7,233,801 |
| 2013 | 5,146,508 | 8,590,139 | 13,736,647 |
| 2014 | 20,426,389 | 9,042,251 | 29,468,640 |
| 2015 | 29,253,819 | 51,088,720 | 80,342,539 |
| Total | $ 54,826,716 | $ 77,763,361 | $ 132,590,077 |

The credit agreement requires us to comply with certain financial covenants which are defined in the credit agreement. As of September 30, 2011, these financial covenants included:

*Consolidated Total Debt Ratio.* On September 30, 2011, our consolidated total debt must not have exceeded 6.75 times our consolidated operating cash flow for the four quarters then ended. On December 31, 2011, the maximum ratio is 6.5 times. For the period from January 1, 2012 through June 30, 2015, the maximum ratio is 4.75 times.

*Consolidated Interest Coverage Ratio.* Our consolidated operating cash flow for the four quarters ending on the last day of each fiscal quarter through September 30, 2011 must not have been less than 1.875 times our consolidated cash interest expense for the four quarters then ending. For the period from October 1, 2011 through June 30, 2015, the minimum ratio is 2.0 times.

*Consolidated Fixed Charge Coverage Ratio.* Our consolidated operating cash flow for the four quarters ending on the last day of each fiscal quarter through December 31, 2011 must not be less than 1.05 times our consolidated fixed charges for the four quarters then ending. For the period from January 1, 2012 through June 30, 2015, the minimum ratio is 1.1 times. Consolidated fixed charges include cash paid for interest, income taxes, capital expenditures, scheduled principal repayments, and agency and commitment fees.

Failure to comply with these financial covenants, scheduled interest payments, scheduled principal repayments, or any other terms of our credit agreement could result in the acceleration of the maturity of our outstanding debt, which could have a material adverse effect on our business or results of operations. As of September 30, 2011, we were in compliance with all applicable financial covenants under our credit agreement; our consolidated total debt ratio was 4.64 times, our consolidated interest coverage ratio was 3.54 times, and our consolidated fixed charge coverage ratio was 1.7 times.

The credit agreement also contains other customary restrictive covenants. These covenants limit our ability to: incur additional indebtedness and liens; repurchase our common stock; pay cash dividends; enter into certain investments or joint ventures; consolidate, merge or effect asset sales; enter into sale and lease-back transactions; sell or discount accounts receivable; enter into transactions with affiliates or stockholders; or change the nature of our business.

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The credit facility is secured by substantially all of our assets and is guaranteed jointly and severally by all of our subsidiaries. The guarantees were issued to our lenders for repayment of the outstanding balance of the credit facility. If we default under the terms of the credit agreement, our subsidiaries may be required to perform under their guarantees. As of September 30, 2011, the maximum amount of undiscounted payments our subsidiaries would have had to make in the event of default was $132.6 million. The guarantees for the revolving credit loan and term loan expire on June 30, 2015.

**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.**
Not required for smaller reporting companies.

**ITEM 4. CONTROLS AND PROCEDURES.**
Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(b) as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures are effective.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we have evaluated any changes in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting pursuant to Exchange Act Rule 13a-15(d) as of the end of the period covered by this report. There were no changes in our internal control over financial reporting during the quarter ended September 30, 2011 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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## PART II OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS.

We currently and from time to time are involved in litigation and are the subject of threats of litigation that are incidental to the conduct of our business. These include indecency claims and related proceedings at the FCC as well as claims and threatened claims by private third parties. However, we are not a party to any lawsuit or other proceedings, or the subject of any threatened lawsuit or other proceedings, which, in the opinion of management, is likely to have a material adverse effect on our financial condition or results of operations.

### ITEM 1A. RISK FACTORS.

The risks affecting our Company are described in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2010. There have been no material changes to the risks affecting our Company during the third quarter of 2011.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

The following table presents information with respect to purchases we made of our Class A common stock during the three months ended September 30, 2011.

| Period | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Program | Approximate Dollar Value That May Yet Be Purchased Under the Program |
|---|---|---|---|---|
| July 1 31, 2011 | | $ | | $ |
| August 1 31, 2011 | | | | |
| September 1 30, 2011 | 833 | 3.87 | | |
| Total | 833 | | | |

On March 27, 2007, our board of directors approved the Beasley Broadcast Group, Inc. 2007 Equity Incentive Award Plan (the 2007 Plan ) which was also approved by our stockholders at the Annual Meeting of Stockholders on June 7, 2007. The 2007 Plan permits us to purchase sufficient shares to fund withholding taxes in connection with the vesting of restricted stock and expires on March 27, 2017. All shares purchased during the three months ended September 30, 2011, were purchased to fund withholding taxes in connection with the vesting of restricted stock. We currently have no publicly announced share purchase programs.

Our credit agreement prohibits us from repurchasing additional shares of our common stock until our consolidated total debt is less than five times our consolidated operating cash flow at which time we are permitted to repurchase up to an aggregate of $10.0 million of our common stock. Our credit agreement does permit us to repurchase up to $0.5 million of our common stock per year in connection with vesting of restricted stock.

Our credit agreement prohibits us from paying cash dividends on our common stock until our consolidated total debt is less than five times our consolidated operating cash flow at which time we are permitted to pay cash dividends in an amount up to an aggregate of $5.0 million per year.

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

**ITEM 5. OTHER INFORMATION.**

None.

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**ITEM 6. EXHIBITS.**

| Exhibit Number | Description |
|---|---|
| 31.1 | Certification of Chief Executive Officer pursuant to Rule 15d-14(a) (17 CFR 240.15d-14(a)). |
| 31.2 | Certification of Vice President, Chief Financial Officer, Secretary and Treasurer pursuant to Rule 15d-14(a) (17 CFR 240.15d-14(a)). |
| 32.1 | Certification of Chief Executive Officer pursuant to Rule 15d-14(b) (17 CFR 240.15d-14(b)) and 18 U.S.C. Section 1350. |
| 32.2 | Certification of Vice President, Chief Financial Officer, Secretary and Treasurer pursuant to Rule 15d-14(b) (17 CFR 240.15d-14(b)) and 18 U.S.C. Section 1350. |
| 101.INS *** | XBRL Instance Document |
| 101.SCH *** | XBRL Taxonomy Extension Schema Document |
| 101.CAL *** | XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.DEF *** | XBRL Taxonomy Extension Definition Linkbase Document |
| 101.LAB *** | XBRL Taxonomy Extension Label Linkbase Document |
| 101.PRE *** | XBRL Taxonomy Extension Presentation Linkbase Document |

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**SIGNATURES**

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.

| | |
|---|---|
| | **BEASLEY BROADCAST GROUP, INC.** |
| Dated: November 4, 2011 | /s/ George G. Beasley<br>Name: George G. Beasley<br>Title: Chairman of the Board and Chief Executive Officer |
| Dated: November 4, 2011 | /s/ Caroline Beasley<br>Name: Caroline Beasley<br>Title: Vice President, Chief Financial Officer, Secretary, Treasurer and Director (principal financial and accounting officer) |

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