

ASCENT CAPITAL GROUP, INC.

FORM DEF 14A (Proxy Statement (definitive))

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SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

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))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

Ascent Capital Group, Inc.

(Name of Registrant as Specified In Its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- 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: _____
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- 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.
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 - (2) Form, Schedule or Registration Statement No.: _____
 - (3) Filing Party: _____
 - (4) Date Filed: _____

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ASCENT CAPITAL GROUP, INC.
5251 DTC Parkway, Suite 1000
Greenwood Village, Colorado 80111
(303) 628-5600

Dear Stockholder:

April 30, 2012

The 2012 annual meeting of stockholders of Ascent Capital Group, Inc. will be held at 9:00 a.m., local time, on July 2, 2012, at the Marriott Denver South at Park Meadows, located at 10345 Park Meadows Drive, Littleton, Colorado 80124, Tel. No. (303) 925-0004.

At the annual meeting, you will be asked to consider and vote on the re-election of two of our directors and the ratification of our auditors. Each of the matters to be considered at the annual meeting is described in greater detail in the accompanying proxy statement.

Your vote is important, regardless of the number of shares you own. Whether or not you plan to attend the annual meeting, please read the accompanying proxy statement and then vote via the Internet, telephone or using your smartphone as promptly as possible. Alternatively, request a paper proxy card to complete, sign and return by mail. This will save us additional expense in soliciting proxies and will ensure that your shares are represented at the meeting. It will not, however, prevent you from later revoking your proxy or changing your vote.

Thank you for your continued support and interest in our company.

Very truly yours,



William R. Fitzgerald
Chairman, President and Chief Executive Officer

The Notice of Internet Availability of Proxy Materials is first being mailed on or about May 14, 2012, and the proxy materials relating to the annual meeting will first be made available on or about the same date.

ASCENT CAPITAL GROUP, INC.
5251 DTC Parkway, Suite 1000
Greenwood Village, Colorado 80111
(303) 628-5600

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To Be Held on July 2, 2012

NOTICE IS HEREBY GIVEN of the annual meeting of stockholders of Ascent Capital Group, Inc. to be held at 9:00 a.m., local time, on July 2, 2012, at the Marriott Denver South at Park Meadows, located at 10345 Park Meadows Drive, Littleton, Colorado 80124, Tel. No. (303) 925-0004, to consider and vote on the following:

1. A proposal to re-elect John C. Malone and Carl E. Vogel to serve as the Class I members of our board of directors for a three year term (the **election of directors proposal**); and
2. A proposal to ratify the selection of KPMG LLP as our independent auditors for the fiscal year ending December 31, 2012 (the **auditor ratification proposal**).

We describe the proposals in more detail in the accompanying proxy statement. We encourage you to read the proxy statement in its entirety before voting. You may also be asked to consider and vote on any other business properly brought before the annual meeting.

Holders of record of our Series A common stock, par value \$.01 per share, and Series B common stock, par value \$.01 per share, outstanding as of 5:00 p.m., New York City time, on May 7, 2012, the **record date** for the annual meeting, will be entitled to notice of the annual meeting and to vote at the annual meeting or any adjournment thereof. Holders of Series A common stock and Series B common stock will vote together as a single class on each proposal. A list of stockholders entitled to vote at the annual meeting will be available at our offices for review by our stockholders, for any purpose germane to the annual meeting, for at least 10 days prior to the annual meeting.

The following stockholder approvals are required with respect to the matters described above:

- The election of directors requires the affirmative vote of a plurality of the votes cast for the election of directors by the holders of shares of our common stock present, in person or by proxy, and entitled to vote at the annual meeting, voting together as a single class. This means that Mr. Malone and Mr. Vogel will be elected if they receive more affirmative votes than any other persons.
- Approval of the auditor ratification proposal requires the affirmative vote of a majority of the voting power of the shares of our common stock present, in person or by proxy, and entitled to vote at the annual meeting, voting together as a single class.

Our board of directors has carefully considered and approved each of the proposals described above and recommends that you vote **FOR** the election of each director nominee and **FOR** the auditor ratification proposal.

YOUR VOTE IS IMPORTANT . We urge you to vote as soon as possible by telephone, Internet, smartphone or mail.

By order of the board of directors,

A handwritten signature in black ink, consisting of a large, loopy initial 'W' followed by a horizontal line and a small flourish.

William E. Niles
Executive Vice President,
General Counsel and Secretary

Greenwood Village, Colorado
April 30, 2012

WHETHER OR NOT YOU INTEND TO BE PRESENT AT THE ANNUAL MEETING, PLEASE VOTE AS PROMPTLY AS POSSIBLE BY TELEPHONE, INTERNET OR SMARTPHONE. ALTERNATIVELY, REQUEST A PAPER PROXY CARD TO COMPLETE, SIGN AND RETURN BY MAIL.

TABLE OF CONTENTS

ANNUAL MEETING; PROXIES	
Notice and Access of Proxy Materials	
Electronic Delivery	
Time, Place and Date	
Purpose	
Quorum	2
Who May Vote; Record Date	2
Votes Required	2
Votes You Have	2
Shares Outstanding	2
Number of Holders	2
Voting Procedures for Record Holders	3
Voting Procedures for Shares Held in Street Name	3
Revoking a Proxy	3
Solicitation of Proxies	4
Recommendation of Our Board of Directors	4
Other Matters to Be Voted on at the Annual Meeting	4
SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	5
Security Ownership of Certain Beneficial Owners	5
Security Ownership of Management	6
Changes in Control	8
PROPOSAL 1 - ELECTION OF DIRECTORS	9
Board of Directors	9
Nominees for Election as Director	9
Directors Whose Term Expires in 2013	10
Directors Whose Term Expires in 2014	11
Vote and Recommendation	12
PROPOSAL 2 - THE AUDITOR RATIFICATION PROPOSAL	13
Audit Fees and All Other Fees	13
Policy on Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditor	13
Vote and Recommendation	14
MANAGEMENT	15
Executive Officers	15
Section 16(a) Beneficial Ownership Reporting Compliance	15
Code of Ethics	16
Director Independence	16
Board Composition	16
Board Leadership Structure	16
Board Role in Risk Oversight	17
Committees of our Board of Directors	17
Compensation Committee Report	18
Audit Committee Report	21
Board Meetings	21
Director Attendance at Annual Meetings	22
Stockholder Communication with Directors	22
Executive Sessions	22
Risk Assessment in Compensation Programs	22
EXECUTIVE COMPENSATION	23
Compensation Discussion and Analysis	23
Employment Agreements	32
Grants of Plan-Based Awards	34
Outstanding Equity Awards at Fiscal Year-End	35
Option Exercises and Stock Vested	37
Potential Payments Upon Termination or Change-in-Control	38
Compensation of Directors	43
Director Compensation Table	44

Table of Contents

Securities Authorized for Issuance Under Equity Compensation Plans	45
CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS	46
Review and Approval of Related Party Transactions	46
Services Agreement with Liberty Media	46
STOCKHOLDER PROPOSALS	47
ADDITIONAL INFORMATION	47

ASCENT CAPITAL GROUP, INC.
a Delaware corporation

5251 DTC Parkway, Suite 1000
Greenwood Village, Colorado 80111
(303) 628-5600

PROXY STATEMENT
For Annual Meeting of Stockholders

We are furnishing this proxy statement in connection with our board of directors' solicitation of proxies for use at our 2012 Annual Meeting of Stockholders to be held at 9:00 a.m., local time, at the Marriott Denver South at Park Meadows, located at 10345 Park Meadows Drive, Littleton, Colorado 80124, Tel. No. (303) 925-0004, on July 2, 2012, or at any adjournment or postponement of the annual meeting. At the annual meeting, we will ask you to consider and vote on the proposals described in the accompanying Notice of Annual Meeting of Stockholders. The proposals are described in more detail in this proxy statement. We are soliciting proxies from holders of our Series A common stock, par value \$0.01 per share, and Series B common stock, par value \$0.01 per share.

ANNUAL MEETING; PROXIES

Notice and Access of Proxy Materials

We have elected, in accordance with the Securities and Exchange Commission's "Notice and Access" rule, to deliver a Notice of Internet Availability of Proxy Materials (the **Notice**) to our stockholders and to post our proxy statement and our annual report to our stockholders (collectively, the **proxy materials**) electronically. The Notice is first being mailed to our stockholders on or about May 14, 2012. The proxy materials are first being made available to our stockholders on or about the same date.

The Notice instructs you how to access and review the proxy materials and how to submit your proxy via the Internet or by telephone or smartphone. The Notice also instructs you how to request and receive a paper copy of the proxy materials, including a proxy card or voting instruction form, at no charge. We will not mail a paper copy of the proxy materials to you unless specifically requested to do so.

Electronic Delivery

Registered stockholders may elect to receive future notices and proxy materials by e-mail. To sign up for electronic delivery, go to www.computershare.com/us/ecomms. You may also sign up for electronic delivery when you vote by Internet at www.envisionreports.com/ASCMA, by following the prompts. Once you sign up, you will not receive a printed copy of the notices and proxy materials, unless you request them. You may suspend electronic delivery of the notices and proxy materials at any time by contacting our transfer agent, Computershare, at 800-730-4001 (outside the United States 781-575-2879). Stockholders who hold shares through a bank, brokerage firm or other nominee may request electronic access by contacting their nominee.

Time, Place and Date

The annual meeting of the stockholders is to be held at 9:00 a.m., local time, on July 2, 2012, at the Marriott Denver South at Park Meadows, located at 10345 Park Meadows Drive, Littleton, Colorado 80124, Tel. No. (303) 925-0004.

Purpose

At the annual meeting, you will be asked to consider and vote on each of the following:

Table of Contents

- the election of two directors to serve as members of our board of directors for a three year term; two of our current directors, John C. Malone and Carl E. Vogel, have been nominated by our board of directors for re-election; and
- the auditor ratification proposal, to ratify the selection of KPMG LLP as our independent auditors for the fiscal year ending December 31, 2012.

You may also be asked to consider and vote on such other business as may properly come before the annual meeting. However, we are not currently aware of any such additional business.

Quorum

In order to carry on the business of the annual meeting, at least a majority of the aggregate voting power represented by the outstanding shares of our Series A common stock and Series B common stock, as of the record date, must be present at the annual meeting, either in person or by proxy. For purposes of determining a quorum, your shares will be included as represented at the meeting even if you indicate on your proxy that you abstain from voting. If a broker, who is a record holder of shares, indicates on a form of proxy that the broker does not have discretionary authority to vote those shares on one or more of the proposals, or if those shares are voted in circumstances in which proxy authority is defective or has been withheld, those shares (which we refer to as **broker non-votes**) nevertheless will be treated as present for purposes of determining the presence of a quorum.

Who May Vote; Record Date

Holders of our Series A common stock and Series B common stock, as recorded in our stock register as of 5:00 p.m., New York City time, on May 7, 2012 (which is the **record date** for the annual meeting), may vote at the annual meeting or at any adjournment or postponement thereof.

Votes Required

The following stockholder approvals are required with respect to proposals described above:

- The election of directors requires the affirmative vote of a plurality of the votes cast for the election of directors by the holders of shares of our common stock present, in person or by proxy, and entitled to vote at the annual meeting, voting together as a single class. This means that Mr. Malone and Mr. Vogel will be elected if they receive more affirmative votes than any other persons.
- Approval of the auditor ratification proposal requires the affirmative vote of a majority of the voting power of the shares of our common stock present, in person or by proxy, and entitled to vote at the annual meeting, voting together as a single class.

Votes You Have

At the annual meeting, holders of Series A common stock will have one vote per share for each share of Series A common stock that our records show they owned on the record date, and holders of Series B common stock will have ten votes per share for each share of Series B common stock that our records show they owned on the record date. Holders of all series of our common stock will vote together as a single class.

Shares Outstanding

As of the record date, we expect there to be approximately 13,468,000 shares of our Series A common stock and 738,000 shares of our Series B common stock outstanding.

Number of Holders

As of the record date, we expect there to be approximately 1,100 and 60 record holders of Series A common stock and Series B common stock, respectively. Such amounts do not include the number of stockholders

whose shares are held of record by banks, brokers or other nominees, but include each such institution as one holder.

Voting Procedures for Record Holders

Holders of record of our common stock as of the record date may vote in person at the annual meeting. Alternatively, they may give a proxy by completing, signing, dating and returning the proxy card, or by voting by telephone, smartphone or over the Internet. Unless subsequently revoked, shares of our common stock represented by a proxy submitted as described below and received at or before the annual meeting will be voted in accordance with the instructions on the proxy.

YOUR VOTE IS IMPORTANT. It is recommended that you vote by proxy even if you plan to attend the annual meeting. You may change your vote at the annual meeting. Specific voting instructions are set forth in this proxy statement and on both the Notice and proxy card.

If a proxy is properly executed and submitted by a record holder without indicating any voting instructions, the shares represented by the proxy will be voted **FOR** the election of Mr. Malone and Mr. Vogel as directors, and will be voted **FOR** the approval of the auditor ratification proposal.

If you submit a proxy card on which you indicate that you abstain from voting, it will have no effect on the election of directors proposal but will have the same effect as a vote **AGAINST** the auditor ratification proposal.

If you fail to respond with a vote, your shares will not be counted as present and entitled to vote for purposes of determining a quorum, and your failure to vote will have no effect on determining whether any of the proposals are approved (assuming a quorum is present).

Voting Procedures for Shares Held in Street Name

General. If you hold your shares in the name of a broker, bank or other nominee, you should follow the instructions provided by your broker, bank or other nominee when voting your shares of our common stock or when granting or revoking a proxy. The rules and regulations of the New York Stock Exchange and The Nasdaq Stock Market prohibit brokers, banks and other nominees from voting shares on behalf of their clients with respect to numerous matters, including, in our case, the election of directors proposal. Accordingly, to ensure your shares held in street name are voted on such matter, we encourage you to provide specific voting instructions to your broker, bank or other nominee promptly.

Effect of Broker Non-Votes. Broker non-votes are counted as shares of our common stock present and entitled to vote for purposes of determining a quorum but will have no effect on any of the proposals. You should follow the directions your broker, bank or other nominee provides to you regarding how to vote your shares of common stock or how to change your vote or revoke your proxy.

Revoking a Proxy

Before the start of the annual meeting, you may change your vote, by voting in person at the annual meeting or by delivering a signed proxy revocation or a new signed proxy with a later date to Ascent Capital Group, Inc., c/o Computershare Trust Company, N.A., 250 Royall Street, Canton, MA 02021. **Any proxy revocation or new proxy must be received before the start of the annual meeting. In addition, you may change your vote through the Internet or by telephone or smartphone (if you originally voted by the same method) not later than 11:59 p.m., New York time, on July 1, 2012.**

Your attendance at the annual meeting will not, by itself, revoke a prior vote or proxy from you. Please be sure to request a ballot at the annual meeting if you have not voted or wish to change your vote.

If your shares are held in an account by a broker, bank or other nominee, you should contact your nominee to change your vote or revoke your proxy.

Solicitation of Proxies

The proxy for the annual meeting is being solicited on behalf of our board of directors. In addition to this mailing, our employees may solicit proxies personally or by telephone. We pay the cost of soliciting these proxies. We also reimburse brokers and other nominees for their expenses in sending these materials to you and getting your voting instructions.

Recommendation of Our Board of Directors

Our board of directors has carefully considered and approved the election of directors proposal and the auditor ratification proposal, and recommends that you vote **FOR** the election of Mr. Malone and Mr. Vogel to new three-year terms and that you vote **FOR** the auditor ratification proposal.

Other Matters to Be Voted on at the Annual Meeting

Our board of directors is not currently aware of any business to be acted on at the annual meeting other than that which is described in the Notice of Annual Meeting of Stockholders and this proxy statement. If, however, other matters are properly brought to a vote at the annual meeting, the persons designated as proxies will have discretion to vote or to act on these matters according to their best judgment, unless you indicate otherwise in your proxy. In the event there is a proposal to adjourn or postpone the annual meeting, the persons designated as proxies will have discretion to vote on that proposal.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Security Ownership of Certain Beneficial Owners

The following table sets forth information concerning shares of our common stock beneficially owned by each person or entity (excluding any of our directors and executive officers) known by us to own more than five percent of the outstanding shares of any series of our common stock. All of such information is based on publicly available filings.

The security ownership information is given as of March 31, 2012, and, in the case of percentage ownership information, is based upon 13,467,247 shares of our Series A common stock and 739,808 shares of our Series B common stock, in each case, outstanding on that date. The percentage voting power is presented on an aggregate basis for all series of common stock.

<u>Name and Address of Beneficial Owner</u>	<u>Title of Class</u>	<u>Amount and Nature of Beneficial Ownership</u>	<u>Percent of Class</u>	<u>Voting Power</u>
Robert R. Bennett c/o Liberty Media Corporation 12300 Liberty Boulevard Englewood, CO 80112	Series A	17,980(1)(2)(3)	*	3.74%
	Series B	76,212(1)(2)	10.30%	
BlackRock, Inc. 40 East 52nd Street New York, NY 10022	Series A	779,055(4)	5.78%	3.73%
Hound Partners, LLC 101 Park Avenue, 48th Floor New York, NY 10178	Series A	687,854(5)	5.11%	3.30%
Mario J. Gabelli c/o GAMCO Investors, Inc. One Corporate Center Rye, NY 10580	Series A	1,331,356(6)	9.89%	6.38%
T. Rowe Price Associates, Inc. 100 E. Pratt Street Baltimore, MD 21202	Series A	901,903(7)	6.70%	4.32%
Wallace R. Weitz & Company 1125 South 103rd Street, Ste. 200 Omaha, NE 68124	Series A	679,000(8)	5.04%	3.25%

* Less than one percent.

- (1) Based upon the Schedule 13D filed on February 22, 2010 by Robert R. Bennett, which states that Mr. Bennett has sole voting power and sole dispositive power over 17,980 shares of Series A common stock and 76,212 shares of Series B common stock.
- (2) Includes 12,472 shares of Series A Common Stock and 76,210 shares of Series B common stock jointly held by Mr. Bennett and his wife, Deborah Bennett. Also includes 5,491 shares of Series A Common Stock and 2 shares of Series B Common Stock owned by Hilltop Investments, LLC, which is jointly owned by Mr. Bennett and his wife, Deborah Bennett.

- (3) Does not include beneficial ownership of shares of our Series A common stock issuable upon exercise of conversion rights relating to shares of our Series B common stock held by Mr. Bennett.
- (4) Based upon the Amendment No. 2 to Schedule 13G filed on January 20, 2012 by BlackRock, Inc., which states that BlackRock, Inc., a parent holding company, has sole voting power and sole dispositive power over 779,055 shares. All shares covered by the Schedule 13G are held by subsidiaries of BlackRock, Inc.
- (5) Based upon the Schedule 13G filed on February 14, 2012 by Hound Partners, LLC (**Hound Partners**) and Jonathan Auerbach, which states that Hound Partners and Mr. Auerbach have shared voting and dispositive power over the 687,854 shares of Series A common stock. Each of Hound Partners and Mr. Auerbach are deemed the beneficial owner of such shares as a result of acting as an investment advisor.
- (6) Based upon the Amendment No. 10 to Schedule 13D filed on October 4, 2010 by Gabelli Funds, LLC, GAMCO Asset Management Inc., Gabelli Securities, Inc., Teton Advisors, Inc., Gabelli Foundation, Inc., GGCP, Inc., GAMCO Investors, Inc. and Mario J. Gabelli (whom we collectively refer to as the **Gabelli Reporting Persons**). In addition to shares of our Series A common stock held directly by Mr. Gabelli, Mr. Gabelli is deemed to have beneficial ownership of those shares of our common stock held by the other Gabelli Reporting Persons. The Schedule 13D states that Mr. Gabelli has sole voting power and sole dispositive power over 1,300 shares.
- (7) Based upon the Amendment No. 4 to Schedule 13G filed on February 14, 2012 by T. Rowe Price Associates, Inc. (**T. Rowe Price**), an investment advisor, which states that T. Rowe Price has sole voting power over 279,655 shares and sole dispositive power over 901,903 shares. T. Rowe Price is deemed the beneficial owner of such shares as a result of acting as an investment advisor.
- (8) Based upon the Schedule 13G filed on January 28, 2011 by Wallace R. Weitz & Company (**Weitz & Co.**) and Wallace R. Weitz. Weitz & Co. has sole voting power and sole dispositive power over 679,000 shares, and is deemed the beneficial owner of such shares as a result of acting as an investment advisor.

Security Ownership of Management

The following table sets forth information with respect to the ownership by each of our directors, each of our named executive officers (as defined below) and by all of our directors and executive officers as a group, of shares of our Series A common stock and Series B common stock. The security ownership information is given as of March 31, 2012, and, in the case of percentage ownership information, is based upon 13,467,247 shares of Series A common stock and 739,808 shares of Series B common stock, in each case, outstanding on that date. Such outstanding share amounts do not include shares of our common stock that may be issued upon the exercise of stock options, including stock options disclosed in the table below. The percentage voting power is presented in the table below on an aggregate basis for all series of common stock.

Shares of restricted stock that have been granted pursuant to our equity incentive plans are included in the outstanding share numbers provided throughout this proxy statement. Shares of common stock issuable upon exercise or conversion of options, warrants and convertible securities that, as of March 31, 2012, were exercisable or convertible on such date or within 60 days thereafter, are deemed to be outstanding and to be beneficially owned by the person holding the options, warrants or convertible securities for the purpose of computing the percentage ownership of that person, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. For purposes of the following presentation, any beneficial ownership of shares of our Series B common stock, though convertible on a one-for-one basis into shares of our Series A common stock, is reported as beneficial ownership of our Series B common stock only, and not as beneficial ownership of our Series A common stock. So far as is known to us, the persons indicated below have sole voting power with respect to the shares indicated as owned by them, except as otherwise stated in the notes to the table.

Table of Contents

<u>Name of Beneficial Owner</u>	<u>Title of Class</u>	<u>Amount and Nature of Beneficial Ownership</u>	<u>Percent of Class</u>	<u>Voting Power</u>
William R. Fitzgerald <i>Chairman of the Board and Chief Executive Officer</i>	Series A	365,816(1)(2)	2.67%	2.16%
	Series B	9,029(3)	1.22%	
Michael R. Haislip <i>Executive Vice President</i>	Series A	26,526(1)	*	*
	Series B	—	—	
Philip J. Holthouse <i>Director</i>	Series A	20,712(1)(2)(4)	*	*
	Series B	—	—	
John C. Malone <i>Director</i>	Series A	151,865(2)(5)(6)(7)	1.13%	30.37%
	Series B	618,525(5)(6)	83.60%	
Michael R. Meyers <i>Senior Vice President and Chief Financial Officer</i>	Series A	16,131(1)(8)	*	*
	Series B	—	—	
Brian C. Mulligan <i>Director</i>	Series A	20,192(1)(2)	*	*
	Series B	—	—	
William E. Niles <i>Executive Vice President, General Counsel and Secretary</i>	Series A	47,078(1)(2)	*	*
	Series B	—	—	
John A. Orr <i>Senior Vice President</i>	Series A	112,615(1)(2)	*	*
	Series B	—	—	
George C. Platisa <i>Former Executive Vice President and Chief Financial Officer</i>	Series A	24,230(2)	*	*
	Series B	—	—	
Michael J. Pohl <i>Director</i>	Series A	20,192(1)(2)	*	*
	Series B	—	—	
Carl E. Vogel <i>Director</i>	Series A	7,617(1)(2)(9)	*	*
	Series B	—	—	
All directors and executive officers as a group (10 persons)	Series A	812,974(1)(2)(4)(5)(6)(7)(8)	6.00%	33.94%
	Series B	627,554(3)(5)(6)	84.83%	

* Less than one percent

- (1) Includes, as applicable, the following restricted shares of our Series A common stock which remain subject to vesting as of March 31, 2012:

<u>Name</u>	<u>Restricted Shares</u>
William R. Fitzgerald	35,734
Michael R. Haislip	24,822
Philip J. Holthouse	871
Michael R. Meyers	14,953
Brian C. Mulligan	871
William E. Niles	23,200
John A. Orr	4,320
Michael J. Pohl	871
Carl E. Vogel	828

- (2) Includes, as applicable, beneficial ownership of the following shares of our Series A common stock that may be acquired upon exercise of stock options that are exercisable within 60 days of March 31, 2012:

Name	Option Shares
William R. Fitzgerald	255,593
Philip J. Holthouse	12,694
John C. Malone	1,248
Brian C. Mulligan	12,694
William E. Niles	22,289
John A. Orr	85,255
George C. Platisa	22,457
Michael J. Pohl	12,694
Carl E. Vogel	1,582

- (3) Includes 6,772 restricted shares of Series B common stock which remain subject to vesting as of March 31, 2012.
- (4) Includes 7,127 shares of our Series A common stock owned by Mr. Holthouse jointly with his wife. Also includes 20 shares of our Series A common stock held by Mr. Holthouse's children, as to which shares Mr. Holthouse has disclaimed beneficial ownership.
- (5) Includes 26,833 shares of our Series A common stock and 17,046 shares of our Series B common stock held by Mr. Malone's wife, Leslie Malone, as to which shares Mr. Malone has disclaimed beneficial ownership.
- (6) Includes 16 and 55,317 shares of our Series A common stock held by two trusts with respect to which Mr. Malone is the sole trustee and, with his wife, retains a unitrust interest in the trust. Also includes 2,570 shares of our Series A common stock and 9,178 shares of our Series B common stock held by two trusts which are managed by an independent trustee, of which the beneficiaries are Mr. Malone's adult children and in which Mr. Malone has no pecuniary interest. Mr. Malone retains the right to substitute assets held by the trusts but has disclaimed beneficial ownership of the shares held by the trusts for the benefit of his children.
- (7) Includes 1 share of our Series A common stock held by an IRA account.
- (8) Includes 115 shares of our Series A common stock owned by Mr. Meyers jointly with his wife.
- (9) Includes 5,207 shares of our Series A common stock held in a margin account with Morgan Stanley.

Changes in Control

We know of no arrangements, including any pledge by any person of our securities, the operation of which may at a subsequent date result in a change in control of our company.

PROPOSAL 1 - ELECTION OF DIRECTORS

Board of Directors

Our company is governed by a board of directors. Pursuant to our bylaws, the size of our Board shall be not less than three nor more than nine members, with the exact number of directors fixed from time to time by resolution adopted by the affirmative vote of at least 75% of the directors then in office. The number of directors constituting our whole Board is currently fixed at seven. As a result of the passing of Mr. Jose A. Royo on May 18, 2010, there are currently six directors on our Board. Our board of directors may appoint a director to fill the vacancy created by Mr. Royo's passing, but it has not yet done so.

Our board of directors is divided into three classes. Our current Class I directors, whose terms will expire at the annual meeting, are John C. Malone and Carl E. Vogel. Mr. Malone and Mr. Vogel have been nominated for re-election to our Board and, if elected, will continue to serve as Class I directors. We have been informed that Mr. Malone and Mr. Vogel are willing to continue to serve as directors of our company. Each director is elected to serve for a full term of approximately three years. The term of the Class I directors who are elected at the annual meeting will expire at the annual meeting of our stockholders in the year 2015. Our Class II directors, whose term will expire at the annual meeting of our stockholders in the year 2013, are Philip J. Holthouse and Brian C. Mulligan. Our Class III directors, whose term will expire at the annual meeting of our stockholders in the year 2014, are William R. Fitzgerald and Michael J. Pohl.

If any nominee should decline re-election or should become unable to serve as a director of our company for any reason before re-election, votes will be cast for a substitute nominee, if any, designated by our board of directors, or, if none is so designated prior to the election, votes will be cast according to the judgment of the person or persons voting the proxy.

The following lists the two nominees for election as directors at the annual meeting and the four other directors of our company, and includes, as to each person, how long such person has been a director of our company, such person's professional background, other public company directorships and other factors considered in the determination that such person possesses the requisite qualifications and skills to serve as a member of our board of directors. All positions referenced in the table below with our company include, where applicable, positions with our predecessors. The number of shares of our common stock beneficially owned by each director, as of March 31, 2012, is set forth in this proxy statement under the caption "Security Ownership of Certain Beneficial Owners and Management—Security Ownership of Management."

Nominees for Election as Director

John C. Malone

- *Professional Background* : A director of our company since January 2010. Mr. Malone has served as the Chairman of the board of directors and a director of Liberty Interactive Corporation (and its predecessors) (**Liberty Interactive**) since 1994 and as the Chief Executive Officer of Liberty Interactive's predecessor from August 2005 to February 2006. He has also served as the Chairman of the board of directors and a director of Liberty Media Corporation (**Liberty Media**) since its split-off from Liberty Interactive in September 2011. Mr. Malone also served as the Chief Executive Officer of AT&T Broadband (formerly known as Tele-Communications, Inc. (**TCI**)), a cable television company, Liberty Interactive's former parent company, from January 1994 to March 1997 and as the Chairman of the board of directors of TCI from November 1996 until March 1999, when TCI was acquired by AT&T.
- *Other Public Company Directorships* : Mr. Malone has served as the Chairman of the board of directors of Liberty Global, Inc. (**LGI**) since June 2005. Previously, he served as Chairman of the board of directors of LGI's predecessor, Liberty Media International, Inc., from March 2004 to June 2005, as Chairman of the board of directors of DIRECTV from November 2009 to June 2010, and as Chairman of the board of directors of DIRECTV's predecessor, The DIRECTV Group, Inc., from February 2008 to November 2009. He has served as a director of Discovery

Communications Inc. since September 2008 and served as Chairman of the board of directors of its predecessor, Discovery Holding Corporation (**DHC**), from March 2005 to September 2008, and as a director of DHC from May 2005 to September 2008. Mr. Malone has also served as a director of Expedia, Inc. since August 2005 and Sirius XM Radio Inc. (**Sirius**) since April 2009. Mr. Malone served as a director of (i) UnitedGlobalCom, Inc. from January 2002 to June 2005, (ii) Cablevision Systems Corp. from March 2005 to June 2005, (iii) the Bank of New York Company, Inc. from June 2005 to April 2007, (iv) InterActiveCorp from May 2006 to June 2010, and (v) Live Nation Entertainment, Inc. from January 2010 to February 2011.

- *Age* : 71
- *Board Qualification* : Mr. Malone, as President of TCI, co-founded Liberty Interactive's predecessor and is considered one of the preeminent figures in the media and telecommunications industry. He is well known for his sophisticated problem solving and risk assessment skills and provides our Board with executive leadership experience and long-term vision.

Carl E. Vogel

- *Professional Background* : A director of our company since December 2009. Mr. Vogel is currently a Senior Advisor to DISH Networks Corporation (**DISH**), a publicly-traded company providing pay-TV services, and served as President of DISH from September 2006 until February 2008 and Vice Chairman of DISH from June 2005 until March 2009. Mr. Vogel is also the president and sole stockholder of Bulldog Capital, Inc., a private investment firm. From October 2007 until March 2009, Mr. Vogel served as a Senior Advisor to EchoStar Corporation (**EchoStar**), a publicly-traded company in the digital set-top box and satellite services businesses. From 2001 until 2005, Mr. Vogel served as the President and CEO of Charter Communications Inc. (**Charter**), a publicly-traded company providing cable television and broadband services. Prior to joining Charter, Mr. Vogel worked as an executive officer in various capacities for companies affiliated with Liberty Interactive and Liberty Media. Mr. Vogel held various executive positions with DISH from 1994 until 1997, including serving as the President from 1995 until 1997.
- *Other Public Company Directorships* : Mr. Vogel has served on the board of directors of DISH since May 2005 and Universal Electronics Inc. since 2009. In addition, Mr. Vogel has been serving on the board of directors and audit committees of Shaw Communications, Inc. since 2006 and NextWave Wireless Inc. since November 2009 (where he has served as the chair of the audit committee since March 2010). Mr. Vogel has also been serving on the board of directors and compensation committee of Sirius since April 2011. From October 2007 until March 2009, Mr. Vogel served as the Vice Chairman of the board of directors of EchoStar. From October 2001 to January 2005, Mr. Vogel served on the board of directors of Charter.
- *Age* : 54
- *Board Qualification* : Mr. Vogel brings to our Board extensive executive leadership experience and board experience, including experience with subscription-based businesses, along with professional accounting and financial expertise.

Directors Whose Term Expires in 2013

Philip J. Holthouse

- *Professional Background* : A director of our company since September 2008. Mr. Holthouse is a partner with Holthouse Carlin & Van Trigt LLP, where he provides tax planning and tax consulting services for privately held businesses and high net-worth individuals primarily in the real estate, entertainment and service industries.
- *Other Public Company Directorships* : Mr. Holthouse served on the board of directors and audit committee of Napster, Inc. from January 2004 to October 2008.
- *Age* : 53

- *Board Qualification* : Mr. Holthouse brings to our Board experience as a public company director and an audit committee member. His tax and accounting training enables him to provide our Board with sophisticated financial insight and to fulfill his function as audit committee chairman.

Brian C. Mulligan

- *Professional Background* : A director of our company since September 2008. Mr. Mulligan is a Managing Director and Vice Chairman of media and telecommunications investment banking at Deutsche Bank Securities. From February 2005 through August 2009, Mr. Mulligan was Chairman of Brooknol Advisors, LLC, an advisory and investment firm specializing in media and entertainment. From April 2004 through January 2005, Mr. Mulligan was a Senior Executive Advisor—Media and Entertainment with Cerberus Capital Management, L.P., an investment firm. From September 2002 to March 2004, Mr. Mulligan was a founder of and principal with Universal Partners, a group formed to acquire Universal Entertainment. Prior to that, Mr. Mulligan held various senior-level positions, including Senior Executive Advisor with The Boston Consulting Group, Inc., Chairman for Fox Television, Inc., Chief Financial Officer of The Seagram Company Ltd., an entertainment and beverage company, Co-chairman of Universal Pictures, Inc., Executive Vice President of Operations at Universal Entertainment and Executive Vice President—Corporate Development and strategy at MCA Inc., an entertainment and media conglomerate.
- *Other Public Company Directorships* : Mr. Mulligan served on the board of directors of Napster, Inc. from March 2003 to October 2008 and was a director of Ascent Media Group, Inc., a predecessor of Ascent Media Group, LLC (**AMG**), from December 2002 to September 2003.
- *Age* : 52
- *Board Qualification* : Mr. Mulligan brings to our Board extensive executive experience in the entertainment and media sector coupled with financial expertise and the perspective of an investment banker.

Directors Whose Term Expires in 2014

William R. Fitzgerald

- *Professional Background* : A director of our company since September 2008. Mr. Fitzgerald is Chairman of our board of directors and Chief Executive Officer of our company. Mr. Fitzgerald has also served as a director of our principal operating subsidiary, Monitronics International, Inc. (**Monitronics**), since December 2010 and served as Chairman of AMG from July 2000 until we sold AMG at the end of 2010. Mr. Fitzgerald has also served as a Senior Vice President of Liberty Interactive since July 2000 and a Senior Vice President of Liberty Media since its split-off from Liberty Interactive in September 2011. Prior to joining Liberty Interactive, Mr. Fitzgerald served as Executive Vice President and Chief Operating Officer for TCI from 1998 to 2000 and was Executive Vice President, Corporate Development of TCI Communications, Inc., a wholly-owned subsidiary of TCI, from 1996 to 1998.
- *Other Public Company Directorships* : Mr. Fitzgerald has served as a director of Expedia, Inc. (**Expedia**) since March 2006, where he also serves as a member of the compensation committee. In addition, Mr. Fitzgerald has served as a director of TripAdvisor, Inc. since December 2011. Mr. Fitzgerald also served as a director of On Command Corporation from 2001 to 2005 and Cablevision Systems Corporation from 1999 to 2000.
- *Age* : 54
- *Board Qualification* : Mr. Fitzgerald brings to our Board 30 years of experience in the media and telecommunications industries, as well as subscription-based businesses. He has an in-depth understanding of our business and the history of our organization coupled with significant executive and leadership experience.

Michael J. Pohl

- *Professional Background* : A director of our company since September 2008. Mr. Pohl serves as an advisor to companies in the technology, media and telecommunications industries. Mr. Pohl was the Chief Executive Officer of Jinni, Inc., a privately-held Internet company, from March 2009 to January 2011. From December 2007 to April 2008, Mr. Pohl served as the Interim Vice President/General Manager of the On Demand Systems Division of ARRIS Group, Inc., a communications technology company specializing in the design and engineering of broadband networks. Mr. Pohl was President of Global Strategies at C-COR Incorporated from December 2005 to November 2007, when C-COR Incorporated was acquired by ARRIS Group, Inc. Mr. Pohl served as the President and Chief Executive Officer of nCUBE Corporation, an interactive video server company, from December 1999 to December 2005.
- *Other Public Company Directorships* : Mr. Pohl has served on the board of directors and compensation committee of BigBand Networks, Inc. (**BigBand**) since May 2009 and on its audit committee since June 2009. In addition, Mr. Pohl was appointed as Chairman of the board of directors of BigBand in February 2010.
- *Age* : 60
- *Board Qualification* : Mr. Pohl brings to our Board valuable technological insight and 25 years of extensive experience with technology companies. His management experience and financial expertise is complemented by his knowledge of applied sciences.

Vote and Recommendation

The election of directors requires the affirmative vote of a plurality of the votes cast for the election of directors proposal by the holders of shares of our common stock present, in person or by proxy, and entitled to vote at the annual meeting, voting together as a single class. This means that Mr. Malone and Mr. Vogel will be elected if they receive more affirmative votes than any other persons.

Our board of directors unanimously recommends a vote **FOR** the election of the nominees to our board of directors.

PROPOSAL 2 - THE AUDITOR RATIFICATION PROPOSAL

We are asking our stockholders to ratify the selection of KPMG LLP as our independent auditors for the fiscal year ending December 31, 2012.

Even if the selection of KPMG LLP is ratified, the audit committee of our board of directors, in its discretion, may direct the appointment of a different independent accounting firm at any time during the year if our audit committee determines that such a change would be in the best interests of our company and our stockholders. In the event our stockholders fail to ratify the selection of KPMG LLP, our audit committee will consider it as a direction to select other auditors for the year ending December 31, 2012.

A representative of KPMG LLP is expected to be present at the annual meeting, will have the opportunity to make a statement if he or she so desires and is expected to be available to respond to appropriate questions.

Audit Fees and All Other Fees

The following table presents fees for professional audit services rendered by KPMG LLP for the audit of our consolidated financial statements for 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Audit fees	\$ 675,140	1,534,410
Audit related fees(1)	137,023	498,175
Audit and audit related fees	\$ 812,163	2,032,585
Tax fees(2)	58,837	474,943
Total fees	<u>\$ 871,000</u>	<u>2,507,528</u>

(1) Audit related fees consist primarily of due diligence assistance and employee benefit plan audits.

(2) Tax related services consist primarily of tax compliance and advice.

Our audit committee has considered whether the provision of services by KPMG LLP to our company other than auditing is compatible with KPMG LLP maintaining its independence and believes that the provision of such other services is compatible with KPMG LLP maintaining its independence.

Policy on Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditor

Our audit committee adopted a policy dated November 6, 2008 regarding the pre-approval of all audit and permissible non-audit services provided by our independent auditor. Pursuant to this policy, our audit committee has approved the engagement of our independent auditor to provide the following services (all of which are collectively referred to as **pre-approved services**):

- audit services as specified in the policy, including (i) financial audits of our company and our subsidiaries, (ii) services associated with our periodic reports, registration statements and other documents filed or issued in connection with a securities offering (including comfort letters and consents), (iii) attestations of our management’s reports on internal controls and (iv) consultations with management as to accounting or disclosure treatment of transactions;
- audit-related services as specified in the policy, including (i) due diligence services, (ii) financial audits of employee benefit plans, (iii) consultations with management as to accounting or disclosure treatment of transactions not otherwise considered audit services, (iv) attestation services not required by statute or regulation, (v) certain audits incremental to the audit of our consolidated financial

statements, (vi) closing balance sheet audits related to dispositions and (vii) general assistance with implementation of Securities and Exchange Commission (**SEC**) rules or listing standards; and

- tax services as specified in the policy, including federal, state, local and international tax planning, compliance and review services, and tax due diligence.

Notwithstanding the foregoing general pre-approval, any individual project involving the provision of pre-approved services that is likely to result in fees in excess of \$100,000 requires the specific prior approval of our audit committee. Any engagement of our independent auditors for services other than the pre-approved services requires the specific approval of our audit committee. Our audit committee has delegated the authority for the foregoing approvals to the chairman of the audit committee, subject to his subsequent disclosure to the entire audit committee of the granting of any such approval. Philip J. Holthouse currently serves as the chairman of our audit committee.

Our pre-approval policy prohibits the engagement of our independent auditor to provide any services that are subject to the prohibition imposed by Section 201 of the Sarbanes-Oxley Act.

All services provided by our independent auditor during 2011 were approved in accordance with the terms of the policy.

Vote and Recommendation

Approval of the auditor ratification proposal requires the affirmative vote of a majority of the voting power of the shares of our common stock present, in person or by proxy, and entitled to vote at the annual meeting, voting together as a single class.

Our board of directors unanimously recommends a vote **FOR** the auditor ratification proposal.

MANAGEMENT

Executive Officers

The following lists the executive officers of our company (other than William R. Fitzgerald, Chairman of our Board and Chief Executive Officer, whose background is described under “Proposal 1 - Election of Directors”), their ages and a description of their business experience, including positions held with our company.

Name	Positions
Michael R. Haislip Age: 60	Mr. Haislip has served as Executive Vice President of our company since April 2011. Since May 2005, Mr. Haislip has served as the President and Chief Executive Officer of Monitronics, our company’s principal operating subsidiary. Prior to joining Monitronics, Mr. Haislip held multiple executive positions, mostly in the cable industry. He served in various operations and financial management positions at Cox Communications for ten years. Other positions in his career have included President of Star Cable Associates; President of Armstrong Cable; and Senior Vice President, Great Lakes Division, of Charter Communications.
Michael R. Meyers Age: 55	Mr. Meyers has served as Senior Vice President of our company since April 2011 and as Chief Financial Officer and Treasurer since August 2011. Mr. Meyers is also the Chief Financial Officer of Monitronics, and has held various positions at Monitronics since July 1996. Before joining Monitronics, Mr. Meyers, a certified public accountant, had over 15 years of accounting, finance, and operations experience. He has worked with a variety of businesses, including Fortune 500, medium, and small companies, as well as working in public accounting.
William E. Niles Age: 48	Mr. Niles has served as Executive Vice President and General Counsel of our company since the spin-off of our company from DHC in September 2008, and also served as Executive Vice President and General Counsel of AMG from January 2002 until the sale of AMG in December 2010. Mr. Niles is also a director of our principal operating subsidiary, Monitronics. From August 2006 through February 2008, Mr. Niles was a member of AMG’s executive committee. Prior to 2002, Mr. Niles was a senior executive handling legal and business affairs within AMG and its predecessor companies.
John A. Orr Age: 49	Mr. Orr has served as Senior Vice President, Corporate Development, of our company since September 2008. Mr. Orr served in multiple capacities with Liberty Interactive and its predecessor from August 1996 until December 2008, spearheading numerous acquisition opportunities and serving most recently as Vice President from 2003 until December 2008.

Our executive officers will serve in such capacities until the next annual meeting of our board of directors, or until their respective successors have been duly elected or appointed, or until their earlier death, resignation or removal from office. There is no family relationship between any of our executive officers or directors, by blood, marriage or adoption.

During the past ten years, none of our directors or executive officers has had any involvement in any legal proceedings that would be material to an evaluation of his ability or integrity.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our executive officers and directors, and persons who own more than ten percent of a registered class of our equity securities, to file reports of ownership and changes in ownership

with the SEC. Officers, directors and greater than ten-percent stockholders are required by SEC regulation to furnish us with copies of all Section 16 forms they file.

Based solely on a review of the copies of the Forms 3, 4 and 5 and amendments to those forms furnished to us during our most recent fiscal year, or written representations that no Forms 5 were required, we believe that, during the year ended December 31, 2011, all Section 16 (a) filing requirements applicable to our officers, directors and greater than ten-percent beneficial owners were complied with, except the following were not timely filed: a Form 4 reporting the withholding of shares for Mr. Fitzgerald, a Form 4 reporting a grant of options to Mr. Malone, and the reporting of certain shares held jointly by Mr. Meyers and his wife.

Code of Ethics

We have adopted a code of ethics that applies to all of our employees, directors and officers, which constitutes our “code of ethics” within the meaning of Section 406 of the Sarbanes-Oxley Act. Our code of ethics is available on our website at www.ascentcapitalgroupinc.com/Business-Conduct-Compliance-Programs.aspx.

Director Independence

It is our policy that a majority of the members of our board of directors be independent of our management. For a director to be deemed independent, our board of directors must affirmatively determine that the director has no disqualifying direct or indirect material relationship with our company. To assist our board of directors in determining which of our directors qualify as independent for purposes of The Nasdaq Stock Market rules as well as applicable rules and regulations adopted by the SEC, the nominating and corporate governance committee of our Board follows the Corporate Governance Rules of The Nasdaq Stock Market on the criteria for director independence.

Our board of directors has determined that each of Philip J. Holthouse, Brian C. Mulligan, Michael J. Pohl and Carl E. Vogel qualifies as an independent director of our company.

Board Composition

As described above under “Proposal 1 - Election of Directors”, our Board is comprised of directors with a broad range of backgrounds and skill sets, including media, telecommunications, technology, subscription based business, finance, transactional and advisory work, auditing and tax. For more information on our Board’s position with respect to the importance of diverse viewpoints on our board of directors, see “— Committees of our Board of Directors—Nominating and Corporate Governance Committee” below.

Board Leadership Structure

Our By-laws currently provide that the Chairman of our Board shall be the Chief Executive Officer of our company, unless our board of directors determines otherwise. William R. Fitzgerald currently serves as the Chairman of our Board and Chief Executive Officer (principal executive officer) and is responsible for identifying and implementing strategic initiatives as well as executive leadership and oversight of our business. Our Board believes that Mr. Fitzgerald is best situated to serve as Chairman of our Board because he is the director most familiar with our company’s business and is also the person most capable of effectively identifying strategic priorities and leading the discussion and execution of strategy.

In evaluating our current Board leadership structure, our Board noted that our company is a holding company and that substantially all of our operating activities are conducted through our principal operating subsidiary, Monitronics. Michael R. Haislip serves as the President and Chief Executive Officer of Monitronics, and is responsible for the day to day operations of Monitronics. In addition, effective April 5, 2011, Mr. Haislip was also appointed as an officer of our company. Our Board believes that the allocation of responsibilities between Mr. Fitzgerald and Mr. Haislip represents an appropriate leadership structure because, among other reasons, it enables Mr. Fitzgerald to foster clear accountability and effective decision making at the board level and with regard to holding company activities, while Mr. Haislip focuses on the daily management of our operating company.

The key members of all committees of our Board are independent directors. Each member of the compensation committee, nominating and corporate governance committee and audit committee is independent. In addition, an independent director, Carl E. Vogel, is the chairman of the executive committee of our board of directors. Through these committees, we have established independent processes for the effective oversight of critical issues entrusted to independent directors, such as the integrity of our financial statements, CEO and senior management compensation, board evaluation and selection of directors. For more information on the function of the committees of our Board, see “— Committees of our Board of Directors” below.

For the above reasons, our Board does not believe that a separation of the Chairman of the Board and Chief Executive Officer positions will provide any meaningful additional oversight. Moreover, our Board believes its current leadership structure positions our company to achieve the optimal result for its stockholders. Because Mr. Fitzgerald bears primary responsibility for the strategic management and leadership of our company, our Board believes that Mr. Fitzgerald is best suited to chair board meetings and ensure that key business issues and stockholders’ interests are brought to the attention of our Board.

Board Role in Risk Oversight

Our board of directors has an active role, as a whole and at the committee level, in overseeing the management of our company’s risks. Our Board regularly reviews information regarding our credit, liquidity, operations, strategic, operational, financial and reporting, succession and compensation, legal and compliance functions and status, as well as the risks associated with each. The compensation committee is responsible for overseeing the management of risks relating to our incentive compensation plans and arrangements. The audit committee oversees management of financial risks. The nominating and corporate governance committee manages risks associated with the independence of our Board and, together with the audit committee, potential conflicts of interest. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, our entire Board is regularly informed through committee reports and management presentations about such risks.

Committees of our Board of Directors

Executive Committee

Our board of directors has established an executive committee consisting of Carl E. Vogel and William R. Fitzgerald, with Mr. Vogel serving as chairman. The principal purpose of the executive committee is to assist our board of directors in the performance of its duties and responsibilities between regularly scheduled meetings of our Board and at any time when our Board is not in session or otherwise unable to act, by exercising the power and authority of our Board to manage the business and affairs of our company with respect to (i) such matters as shall be delegated to the executive committee by resolution of our Board and (ii) any other lawful matters to the extent the executive committee, in its discretion, determines that it is necessary or advisable to attend to such matters prior to the next regularly scheduled meeting of our Board. As such, the executive committee generally has and may exercise all the powers and authority of our Board in the management of the business and affairs of our company, including without limitation the power and authority to authorize the issuance of shares of our capital stock. However, the executive committee shall have no power or authority in reference to the following matters:

- approving, adopting or recommending to the stockholders of our company any action or matter expressly required by the Delaware General Corporation Law to be submitted to stockholders for approval;
- adopting, amending or repealing any bylaws of our company;
- fixing the size of our board of directors or filling any vacancies on our Board or on any committee of our Board; or
- the matters or powers expressly conferred upon the audit committee, the compensation committee, and the nominating and corporate governance committee.

Compensation Committee

Our board of directors has also established a compensation committee, whose chairman is Michael J. Pohl and whose other members are Philip J. Holthouse and Brian C. Mulligan. The compensation committee reviews and makes recommendations to our Board regarding all forms of compensation provided to our executive officers and directors. In addition, the compensation committee reviews and makes recommendations on bonus and stock compensation arrangements for all of our employees and has sole responsibility for the administration of our incentive plans.

The compensation committee reviews and approves corporate goals and objectives relevant to the compensation of our Chief Executive Officer and our other executive officers. The compensation committee also reviews and approves the compensation of our Chief Executive Officer and certain other officers of our company. For a description of our processes and policies for consideration and determination of executive and director compensation, including the role of our Chief Executive Officer and outside consultants in determining or recommending amounts and/or forms of compensation, see “Executive Compensation—Compensation Discussion and Analysis” below. The compensation committee has the authority to retain a compensation consultant to assist in the evaluation of executive compensation.

Our board of directors has adopted a written charter for the compensation committee, which is available on our website at www.ascentcapitalgroupinc.com/Compensation-Committee-Charter.aspx.

Compensation Committee Report

The compensation committee has reviewed and discussed with the company’s management the “Compensation Discussion and Analysis” included under “Executive Compensation” below. Based on such review and discussions, the compensation committee recommended to our company’s board of directors that the “Compensation Discussion and Analysis” be included in this proxy statement.

Submitted by the Members of the Compensation Committee
Philip J. Holthouse
Brian C. Mulligan
Michael J. Pohl (chairman)

Compensation Committee Interlocks and Insider Participation

In 2011, the compensation committee of our board of directors consisted of Michael J. Pohl, Philip J. Holthouse and Brian C. Mulligan. No member of the compensation committee is or has been an officer or employee of our company or any of our subsidiaries, or has engaged in any related party transaction in which our company or any of our subsidiaries was a participant.

Nominating and Corporate Governance Committee

Our board of directors has established a nominating and corporate governance committee, whose chairman is Brian C. Mulligan and whose other members are Philip J. Holthouse and Michael J. Pohl. See “—Director Independence” above.

The nominating and corporate governance committee:

- develops qualification criteria for selecting candidates to serve as directors of our company;
- identifies individuals qualified to become directors of our company and makes recommendations to our Board with respect thereto;
- reviews and approves “related person transactions” (as set forth in our corporate governance guidelines); and

- reviews, and makes recommendations with respect to changes to, our corporate governance guidelines.

The nominating and corporate governance committee will consider candidates for director recommended by any stockholder provided that such nominations are properly submitted. Eligible stockholders wishing to recommend a candidate for nomination as a director should send the recommendation in writing to the Nominating and Corporate Governance Committee, Ascent Capital Group, Inc., 5251 DTC Parkway, Suite 1000, Greenwood Village, Colorado 80111. Stockholder recommendations must be made in accordance with our bylaws, as discussed under “Stockholder Proposals” below, and must contain the following information:

- the proposing stockholder’s name and address and documentation indicating the number of shares of our common stock beneficially owned by such person and the holder or holders of record of those shares, together with a statement that the proposing stockholder is recommending a candidate for nomination as a director;
- the candidate’s name, age, business and residence addresses, principal occupation or employment, business experience, educational background and any other information relevant in light of the factors considered by the nominating and corporate governance committee in making a determination of a candidate’s qualifications, as described below;
- a statement detailing any relationship, arrangement or understanding that might affect the independence of the candidate as a member of our board of directors;
- any other information that would be required under SEC rules in a proxy statement soliciting proxies for the election of such candidate as a director;
- a representation as to whether the proposing stockholder intends to deliver any proxy materials or otherwise solicit proxies in support of the director nominee;
- a representation that the proposing stockholder intends to appear in person or by proxy at the annual stockholders meeting at which the person named in such notice is to stand for election; and
- a signed consent of the candidate to serve as a director, if nominated and elected.

In connection with its evaluation, the nominating and corporate governance committee may request additional information from the proposing stockholder and the candidate. The nominating and corporate governance committee has sole discretion to decide which individuals to recommend for nomination as directors.

To be nominated to serve as a director, a nominee need not meet any specific, minimum criteria; however, the nominating and corporate governance committee believes that nominees for director should possess the highest personal and professional ethics, integrity, values and judgment and should be committed to the long-term interests of our stockholders. When evaluating a potential director nominee, including one recommended by a stockholder, the nominating and corporate governance committee will take into account a number of factors, including, but not limited to, the following:

- independence from management;
- his or her unique background, including education, professional experience and relevant skill sets;
- judgment, skill, integrity and reputation;
- industry experience;
- existing commitments to other businesses as a director, executive or owner;
- personal conflicts of interest, if any; and

- the size and composition of our existing board of directors, including whether the potential director nominee would positively impact the composition of our Board by bringing a new perspective or viewpoint to our board of directors.

The nominating and corporate governance committee does not have a formal policy with respect to diversity; however, our Board and the nominating and corporate governance committee believe that it is essential that our Board members represent diverse viewpoints.

When seeking candidates for director, the nominating and corporate governance committee may solicit suggestions from incumbent directors, management, stockholders and others. After conducting an initial evaluation of a prospective nominee, the nominating and corporate governance committee will interview that candidate if it believes the candidate might be suitable to be a director. The nominating and corporate governance committee may also ask the candidate to meet with management. If the nominating and corporate governance committee believes a candidate would be a valuable addition to our board of directors, it may recommend to our full Board that candidate's nomination and election.

Prior to nominating an incumbent director for re-election at an annual meeting of stockholders, the nominating and corporate governance committee will consider the director's past attendance at, and participation in, meetings of our board of directors and its committees and the director's formal and informal contributions to the various activities conducted by our Board and our Board committees of which such individual is a member.

The nominating and corporate governance committee believes that Mr. Malone and Mr. Vogel continue to be qualified to serve as directors of our company and supports their nomination for re-election. The nominations of Mr. Malone and Mr. Vogel have been approved by our entire board of directors.

Our board of directors has adopted a written charter for the nominating and corporate governance committee and corporate governance guidelines, which are available on our website at www.ascentcapitalgroupinc.com/Nominating-Corporate-Governance-Committee-Charter.aspx and www.ascentcapitalgroupinc.com/Corporate-Governance-Guidelines.aspx, respectively.

Audit Committee

Our board of directors has established an audit committee, whose chairman is Philip J. Holthouse and whose other members are Brian C. Mulligan, Michael J. Pohl and Carl E. Vogel. See “—Director Independence” above.

The audit committee reviews and monitors the corporate financial reporting and the internal and external audits of our company. The committee's functions include, among other things:

- appointing or replacing our independent auditors;
- reviewing and approving in advance the scope and the fees of our annual audit and reviewing the results of our audits with our independent auditors;
- reviewing and approving in advance the scope and the fees of non-audit services of our independent auditors;
- reviewing compliance with and the adequacy of our existing major accounting and financial reporting policies;
- reviewing our management's procedures and policies relating to the adequacy of our internal accounting controls and compliance with applicable laws relating to accounting practices;
- reviewing compliance with applicable SEC and stock exchange rules regarding audit committees; and
- preparing a report for our annual proxy statement.

Our board of directors has adopted a written charter for the audit committee, which is available on our website at www.ascentcapitalgroupinc.com/Audit-Committee-Charter.aspx.

Audit Committee Report

Each member of the audit committee is an independent director as determined by our board of directors, based on the listing standards of The Nasdaq Stock Market. Each member of the audit committee also satisfies the SEC's independence requirements for members of audit committees. Each of Mr. Holthouse, Mr. Mulligan and Mr. Vogel is an "audit committee financial expert" under applicable SEC rules and regulations.

The audit committee reviews our financial reporting process on behalf of our board of directors. Management has primary responsibility for establishing and maintaining adequate internal controls, for preparing financial statements and for the public reporting process. Our independent auditor, KPMG LLP, is responsible for expressing opinions on the conformity of our audited consolidated financial statements with U.S. generally accepted accounting principles. Our independent auditor also expresses its opinion as to the effectiveness of our internal control over financial reporting.

The audit committee has reviewed and discussed with management and KPMG LLP our most recent audited consolidated financial statements, as well as management's assessment of the effectiveness of our internal control over financial reporting and KPMG LLP's evaluation of the effectiveness of our internal control over financial reporting. The audit committee has also discussed with KPMG LLP the matters required to be discussed by the Statement on Auditing Standards No. 61 (Communications With Audit Committees), as amended, and as adopted by the Public Accounting Oversight Board in Rule 3200T, plus the additional matters required to be discussed by the Statement on Auditing Standards No. 114 (The Auditor's Communication with Those Charged with Governance), as modified or supplemented, including that firm's judgment about the quality of our accounting principles, as applied in its financial reporting.

KPMG LLP has provided the audit committee with the written disclosures and the letter required by the Public Company Accounting Oversight Board Ethics and Independence Rule 3526, as modified or supplemented, and the audit committee has discussed with KPMG LLP that firm's independence from the company and its subsidiaries.

Based on the reviews, discussions and other considerations referred to above, the audit committee recommended to our board of directors that the audited financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2011, which was filed on February 29, 2012 with the SEC.

Submitted by the Members of the Audit Committee
Philip J. Holthouse (chairman)
Brian C. Mulligan
Michael J. Pohl
Carl E. Vogel

Other

Our board of directors, by resolution, may from time to time establish other committees of our board of directors, consisting of one or more of our directors. Any committee so established will have the powers delegated to it by resolution of our board of directors, subject to applicable law.

Board Meetings

During 2011, there were four meetings of our full board of directors, four meetings of our compensation committee, one meeting of our nominating and corporate governance committee, four meetings of our audit committee and two meetings of our executive committee.

Director Attendance at Annual Meetings

Our board of directors encourages all members of our Board to attend each annual meeting of our stockholders. Three of our board members then serving attended our 2011 annual meeting of stockholders.

Stockholder Communication with Directors

Our stockholders may send communications to our board of directors or to an individual director, in each case, c/o Ascent Capital Group, Inc., 5251 DTC Parkway, Suite 1000, Greenwood Village, Colorado 80111. All such communications from stockholders will be forwarded to our directors on a timely basis.

Executive Sessions

In 2011, the independent directors of our company met at four executive sessions without management participation. Any interested party who has a concern regarding any matter which it wishes to have addressed by our independent directors, as a group, at an upcoming executive session may send its concern in writing addressed to Independent Directors of Ascent Capital Group, Inc., c/o Ascent Capital Group, Inc., 5251 DTC Parkway, Suite 1000, Greenwood Village, Colorado 80111. The current independent directors of our company are Philip J. Holthouse, Brian C. Mulligan, Michael J. Pohl and Carl E. Vogel.

Risk Assessment in Compensation Programs

Following the completion of a risk assessment of our compensation programs applicable to all employees, we have concluded that the design and operation of our compensation programs do not provide our employees with incentive to engage in business activities or other actions that would threaten the value of our company or the investment of our stockholders. We have also concluded that any risks associated with our compensation programs are not reasonably likely to have a material adverse effect on our company.

EXECUTIVE COMPENSATION

This section sets forth information relating to, and an analysis and discussion of, compensation paid by our company to:

- William R. Fitzgerald;
- Michael R. Haislip;
- Michael R. Meyers;
- William E. Niles;
- John A. Orr; and
- George Platisa.

Mr. Fitzgerald is our principal executive officer; Mr. Meyers is our current principal financial officer; Mr. Platisa was our principal financial officer until August 1, 2011; and Messrs. Haislip, Niles and Orr are our three other executive officers (together, our **named executive officers**).

Compensation Discussion and Analysis

Overview

The compensation committee of our board of directors has responsibility for overseeing the compensation of our named executive officers and ensuring that their compensation packages are consistent with the company's compensation objectives. In furtherance of this purpose, our compensation committee considers and approves all components of the executive officers' compensation packages, including periodic corporate goals and objectives upon which compensation decisions are made. The compensation committee also administers our equity incentive plan and has the authority to make and modify grants under, and to approve or disapprove participation in, such plans.

Fiscal year 2011 was a period of transition for our company as we disposed of the last of our media and entertainment businesses, including our former operating subsidiary AMG, and completed the integration of our then-newly acquired operating subsidiary, Monitronics. Monitronics, which is now our principal operating company, provides nationwide alarm monitoring services. As a result of this transition, we closed our Los Angeles area offices, fulfilled our contractual compensation obligations to our former Chief Financial Officer, George Platisa, and negotiated new employment arrangements with our General Counsel in connection with his relocation to the Denver area, at our request, and with the two highest ranking executive officers of Monitronics.

Objectives

The compensation program for our named executive officers was designed to meet the following objectives that align with and support our strategic business goals:

- attracting and retaining executive managers with the industry knowledge, skills, experience and talent to help our company attain its strategic objectives and build long-term company value;
- emphasizing variable performance-based compensation components, which include equity-based compensation, by linking individual compensation with corporate operating metrics as well as individual professional achievements; and
- aligning the interests of management of our company with the interests of our stockholders.

Principles

The following principles are used to guide the design of our executive compensation program and to ensure that the program is consistent with the objectives described above:

Competitive Positioning . We believe that our executive compensation program must provide compensation to our named executive officers that is both reasonable in relation to, and competitive with, the compensation paid to similarly situated employees of companies in our industries and companies with which we compete for talent, taking into account many factors, including cost-of-living considerations. See “—Setting Executive Compensation” below.

“Pay for Performance” Philosophy . We believe our compensation program should align the interests of our named executive officers with the interests of our company and our stockholders by strengthening the link between pay and company and individual performance. Accordingly, our compensation committee believes variable compensation, including plan-based awards, should represent a significant portion of the total compensation mix for our named executive officers.

At our 2011 annual stockholders meeting, our stockholders' representing 92.5% of our aggregate voting power present and entitled to vote on our say-on-pay proposal approved, on an advisory basis, our executive compensation, as disclosed in our proxy statement for our 2011 annual meeting of stockholders. The compensation committee did not implement any material changes to our executive compensation program as a result of this vote.

Role of Chief Executive Officer in Compensation Decisions

As a general matter, our Chief Executive Officer provides recommendations to the compensation committee with respect to all elements of compensation proposed to be paid to the other named executive officers in conjunction with his evaluation of their performance.

Following the acquisition of Monitronics, it was a priority of the compensation committee that the services of Messrs. Haislip and Meyers (the two most senior executives of Monitronics) be retained, long-term, to enable our company to maximize the return on its investment in acquiring Monitronics. Accordingly, Mr. Fitzgerald was tasked with negotiating new employment agreements with each of Messrs. Haislip and Meyers with the input, oversight and, ultimately, approval of the compensation committee. The description of the compensation paid to Messrs. Haislip and Meyers herein reflects the culmination of these negotiations.

Setting Executive Compensation

Consistent with the principles outlined above, the compensation committee considers compensation data relating to other companies in reviewing and approving the compensation packages of our named executive officers. Historically, the compensation committee had focused on a select group of peer companies that operated in various markets within the technology, media, communications and entertainment industries. However, in connection with our company's transition out of the media and entertainment business, the compensation committee hired Compensia, Inc., a compensation consultant (**Compensia**), in May 2011 to assist the compensation committee in identifying a new peer group of companies, gathering market data on competitive market practices with respect to cash and equity-based compensation and developing an updated compensation framework, including with respect to equity awards (such as award types, vesting parameters and individual allocations). Compensia was paid approximately \$50,000 for their services.

Our new peer group list was developed taking into account our company's focus on the alarm monitoring and security business (a technology business supported by subscription-based revenue), our range of financial performance metrics and our aggregate market capitalization. Compensia advised the compensation committee that our new peer group of companies should be comprised of those in the technology space and those with a subscription/service-based business model, which together most closely correlate to our current business and operations. Accordingly, the companies in our new peer group list are set forth below:

Technology

Ancestry.com, Inc.	J2 Global, Inc.
Broadview Networks Holdings, Inc.	National Cinemedia, Inc.
Digital Globe, Inc.	Shutterfly, Inc.
Fortinet, Inc.	

Subscription/Service-based

Earthlink Inc.	Pre-Paid Legal Services, Inc.
Iridium Communications, Inc.	Protection One, Inc.
Interval Leisure Group, Inc.	TiVo, Inc.
K12, Inc.	USA Mobility, Inc.
Mobile Mini, Inc.	Vonage Holdings Corp.
Ntelos Holdings Corp.	

The compensation committee did not apply specific benchmarking parameters in crafting the compensation packages to be offered to Mr. Niles in connection with his relocation to our corporate headquarters in the Denver area nor those to be offered to Messrs. Haislip and Meyers to secure their long-term services following our acquisition of Monitronics. Rather the compensation committee incorporated the competitive market data received from Compensia, including as to the compensation paid by the new peer group, into the compensation committee's total mix of information (including its members' general business and industry knowledge and experience and its evaluation of each named executive officer's job performance) in establishing what the compensation committee believed to be reasonable and competitive variable elements of each named executive officer's compensation package. The compensation committee did, however, focus on the peer data in determining to increase the equity-based portion of Mr. Fitzgerald's overall compensation on a going forward basis.

Elements of 2011 Executive Compensation

For 2011, the principal components of compensation for our named executive officers were:

- base salary;
- bonus;
- the remaining vestiges of AMG's non-equity incentive plan;
- equity incentive compensation; and
- limited perquisites and personal benefits.

A summary of each element of our compensation program is set forth below. We believe that each element complements the others and that together they serve to achieve our compensation objectives.

Base Salary

We provide competitive base salaries to attract and retain high-performing executive talent. We believe that a competitive base salary is an important component of compensation as it provides a degree of financial stability for executives. The base salary level of each named executive officer is generally determined based on the responsibilities performed by such officer, his or her experience, overall effectiveness and demonstrated leadership ability, the performance expectations set for such officer, and competitive market factors. For 2011, the compensation committee determined to increase the portion of Mr. Fitzgerald's aggregate salary that is paid by our company (as compared to the portion that is paid by Liberty Media in connection with Mr. Fitzgerald's dual employment arrangements) to reflect the increase to 80% of Mr. Fitzgerald's professional time that would be devoted to our company. Accordingly, we began paying Mr. Fitzgerald a \$600,000 salary. Also in 2011, Mr. Niles

agreed to a reduction in his base salary in connection with his relocation to the Denver area which has a lower cost-of-living than the Los Angeles area where AMG had been headquartered. Also in 2011, Mr. Meyers was given a \$23,000 salary increase to compensate him for the additional responsibilities he assumed as the Chief Financial Officer of our company. As the responsibilities of Messrs. Orr and Haislip had not substantively changed for 2011, each received a modest cost-of-living increase to his base salary.

Bonus

Each of our named executive officers (other than Mr. Fitzgerald) received cash bonus amounts for services rendered during the 2011 calendar year. The compensation committee determined to grant each of these named executive officers a cash bonus based on its positive review of each executive’s performance in 2011 and the compensation committee’s knowledge of market conditions. In addition, in determining to grant Messrs. Haislip and Meyers cash bonuses, the compensation committee noted the achievement of Monitronics’ budget goals, the attainment of certain performance criteria and the successful completion of the integration of Monitronics with our company. Messrs. Haislip and Meyers each received two separate bonuses with respect to 2011. Bonus amounts of \$190,125 and \$115,132, respectively, were paid for services rendered during the period July 1, 2010 through June 30, 2011 (which period reflected Monitronics’ prior fiscal year cycle), and bonus amounts of \$129,000 and \$73,000, respectively, were paid during the first quarter of 2012 for services rendered during the stub period July 1, 2011 through December 31, 2011 (which period adjusted the Monitronics’ executives to our fiscal year cycle). In determining to grant Mr. Niles a cash bonus, the compensation committee noted his exceptional efforts in completing the sale of AMG and all of our former media and entertainment businesses and the acquisition and integration of our new principal operating business, Monitronics. In determining to grant a cash bonus to Mr. Orr, the compensation committee noted Mr. Orr’s relentless efforts in completing the acquisition and integration of Monitronics. The compensation committee determined to grant Mr. Fitzgerald an additional equity incentive award in lieu of a cash bonus for his 2011 performance, as discussed under “—Equity Incentive Compensation—Award for 2012 Performance” below.

Non-Equity Incentive Compensation

LTIP. AMG’s 2006 Long-Term Incentive Plan as amended and restated as of September 9, 2008 (which we refer to as the **LTIP**) was terminated in connection with the sale of AMG on December 31, 2010, and all continuing obligations arising out of the LTIP were transferred to our company. Historically, the LTIP provided for the grant by AMG of awards which we refer to as **phantom appreciation rights** or **PARs** to key employees of AMG. Subject to vesting in accordance with the LTIP, each PAR measured the increase, if any, in the Value (as defined below) of a phantom unit under the LTIP from the grant date to the date of exercise, in each case as defined in accordance with the LTIP. Each of Messrs. Niles and Platisa participated in the LTIP, which was subject in the case of these executives to the approval of our compensation committee.

In connection with a September 2008 amendment relating to our sale of the AccentHealth business (which we refer to as the **LTIP Amendment**), AMG distributed to grantees who held PARs at the date of the sale certain amounts (which we refer to as **AH Distributions**) representing the increase in Value of a phantom unit under the LTIP attributable to the increase in the value of AccentHealth and the cumulative cash flow of AccentHealth from adoption of the LTIP through the date of the sale. The AH Distributions commenced in February 2009 and were made, with respect to Messrs. Niles and Platisa, as follows:

Name	February 2009	August 2009	Total
William E. Niles	\$ 418,000	\$ 83,600	\$ 501,600
George C. Platisa	\$ 418,000	\$ 83,600	\$ 501,600

Prior to the termination of the LTIP on December 31, 2010, Messrs. Niles and Platisa had received multiple grants, including, those made as of July 9, 2010, of 9,000 PARs each (which we refer to as the **July 2010 Grants**), subject to vesting. The initial value of the PARs granted pursuant to the July 2010 Grants was \$17.19 as of the date of such grant.

The amount, if any, by which the Value of a phantom unit on the exercise date of a PAR exceeds the grant date Value of a phantom unit is referred to under the LTIP as the “**PAR Value**” of such PAR. Upon the termination of the LTIP on December 31, 2010, the PARs granted pursuant to the July 2010 Grants had a PAR Value of \$12.46 per PAR. These were the only outstanding LTIP awards held by any of our named executive officers with a positive unpaid PAR Value as of the termination of the LTIP.

Awards under the LTIP were subject to vesting. However, in accordance with the terms of the LTIP, all outstanding PARs became 100% vested, and were deemed automatically exercised, on December 31, 2010 as a result of the change in control that occurred when our company sold AMG. Following this deemed automatic exercise, the LTIP was terminated, and each grantee was entitled to receive consideration in the amount of the applicable PAR Value, including interest from the date of exercise to the date of payment at the rate of three month LIBOR as published in the Wall Street Journal. Accordingly, Messrs. Niles and Platisa became entitled to receive the consideration with respect to their July 2010 Grants on the earlier of (i) March 31, 2014 and (ii) six months following such officer’s “separation from service” as such term is defined in Section 409A of the Internal Revenue Code (the **Code**). Mr. Platisa received \$112,140 for his July 2010 Grants in March 2012, which was six months following his separation of service with our company, and Mr. Niles is expected to receive the consideration owed to him with respect to his July 2010 Grants on March 31, 2014, absent an earlier separation event. The value of Mr. Niles’ LTIP awards, as of December 31, 2010, is included under the heading Non-Equity Incentive Plan Compensation in the “Summary Compensation Table” below.

Under the LTIP, we had a right to require each of Messrs. Niles and Platisa to repay or return to our company any payments made to him under the LTIP, in the event of a material restatement of our financial statements resulting from such executive’s material noncompliance with any financial reporting requirement under applicable securities laws, provided that such material noncompliance resulted from misconduct on the part of the applicable executive.

Changes for 2012. The compensation committee determined to adopt a performance-based bonus program for 2012 in which each of the named executive officers is eligible to participate. The program is designed to comply with Section 162m of the Code. In order for any named executive officer to be eligible to receive any bonus under the program, our company will need to achieve a consolidated Adjusted EBITDA (as defined in our Annual Report on Form 10-K for the year ended December 31, 2011 (the **2011 Form 10-K**)) for the year ended December 31, 2012 of no less than 105% of our consolidated Adjusted EBITDA for the year ended December 31, 2011 (as reported in the 2011 Form 10-K), subject to such adjustments (to the extent permissible under Section 162m) as the compensation committee may determine to be necessary or appropriate to provide year-over-year comparability (including, for example, in the event of any acquisitions, dispositions, changes in accounting policies or other extraordinary events). If this threshold performance metric is met, the compensation committee will then determine the actual portion of each grantee’s maximum bonus amount that will be payable under the program (which may be zero) after taking into account such subjective and objective performance criteria as the compensation committee may determine in its sole discretion. Each named executive officer’s maximum bonus amount for 2012 (which is prescribed by his applicable employment agreement) is as follows: Mr. Fitzgerald \$900,000; Mr. Haislip \$322,500; Mr. Meyers \$182,500; Mr. Niles \$300,000; and Mr. Orr \$243,750.

Equity Incentive Compensation

Consistent with our compensation philosophy, we seek to align the interests of our named executive officers with those of stockholders by awarding equity-based incentive compensation, ensuring that our executives have a continuing stake in the long-term success of our company and our subsidiaries. Accordingly, the compensation committee believes that an executive’s overall mix of compensation should be weighted more heavily toward equity-based incentives.

Awards for 2010 Performance. The Ascent Capital Group, Inc. 2008 Incentive Plan (which we refer to as the **incentive plan**) provides for the grant of a variety of incentive awards, including non-qualified stock options, stock appreciation rights (which we refer to as **SARs**), restricted shares, restricted stock units, cash awards and performance awards and is administered by our compensation committee. On March 15, 2011, under the incentive plan, the compensation committee granted each of Messrs. Fitzgerald, Niles and Orr an award of restricted shares to reward them for their favorable performance in 2010 (we refer to such grants as the **2010 short-term awards**). The

2010 short-term awards vest in four equal quarterly installments with the first such installment having vested on April 1, 2011. Mr. Fitzgerald received restricted shares in lieu of a cash bonus for 2010, as the compensation committee determined that the relative mix of his compensation package should weigh more heavily toward equity compensation to better align his interests with those of our stockholders. Similarly, in lieu of larger cash bonuses for 2010, the compensation committee also granted Messrs. Niles and Orr restricted shares of our stock to shift the relative weight of their compensation packages toward equity.

Multi-Year Awards . In addition, on March 15, 2011, the compensation committee granted each of Messrs. Fitzgerald and Niles an additional award of restricted shares with a long-term vesting schedule, and on March 29, 2011 the compensation committee granted each of Messrs. Fitzgerald and Niles a mix of options and restricted shares with a long-term vesting schedule (collectively, the **multi-year awards**). The multi-year awards were one-time grants that are meant to align the executive's interests with the long-term goals of our company. The compensation committee conveyed its views to the executives that these multi-year awards are not intended to be annual grants, and the compensation committee will take these multi-year awards into account when determining future grants to Messrs. Fitzgerald and Niles. The compensation committee granted the multi-year awards to Mr. Fitzgerald in part in recognition of the increase in the allocation of Mr. Fitzgerald's time that will be dedicated to our company going forward. The compensation committee granted the multi-year awards to Mr. Niles in recognition of Mr. Niles' renewed commitment to our company pursuant to his new five-year employment term, the foregoing of his right to leave our company with a sizeable severance package following the disposition of AMG, his willingness to relocate to the Denver area and his acceptance of a reduction in his base salary in connection with his relocation. For more information regarding these awards, see the "Grants of Plan-Based Awards Table" below.

Awards to New Executives . Shortly after the completion of the Monitronics acquisition, the compensation committee granted to Messrs. Haislip and Meyers, on March 15, 2011, an award of restricted Series A shares that vest in eight equal quarterly installments. Then, on September 30, 2011, in connection with the execution of their new employment agreements, the compensation committee determined to grant each of Messrs. Haislip and Meyers an award of restricted shares and options (collectively, the **September 2011 Grants**). Similar to the multi-year awards described above, the September 2011 Grants were one-time grants meant to align the interests of our two newest executive officers with the long-term goals of our stockholders. Accordingly, the compensation committee conveyed to Messrs. Haislip and Meyers that these awards were not annual grants and that the September 2011 Grants would be taken into account when determining future awards. For more information regarding these awards, see the "Grants of Plan-Based Awards Table" below.

Award for 2011 Performance . On December 21, 2011, the compensation committee granted Mr. Fitzgerald an award of restricted Series B shares to reward him for his favorable performance in 2011 in lieu of a cash bonus (the **year-end award**). The year-end award vests in four equal quarterly installments with the first such installment having vested on December 31, 2011. Mr. Fitzgerald received these restricted shares in lieu of a cash bonus to further align his interests with those of our stockholders and to continue weighing Mr. Fitzgerald's overall mix of compensation toward equity. The compensation committee took into account a number of qualitative factors in determining to reward Mr. Fitzgerald for his 2011 performance, without giving a specific weight to any single factor. For more information regarding these awards, see the "Grants of Plan-Based Awards Table" below.

Perquisites and Personal Benefits

For the year ended December 31, 2011, the limited perquisites and personal benefits provided to our named executive officers consisted generally of term life insurance premiums and 401(k) matching contributions. We also provided Mr. Niles with relocation assistance as described below. We offer our named executive officers other benefits that are also available on the same basis to all of our salaried employees, such as medical and disability insurance premiums.

Relocation Assistance and Related Tax Gross-Up

Consistent with our objective to attract and retain a high-performing executive management team, we may recruit candidates from throughout the U.S. to fill executive level openings or we may relocate existing executive officers and, in either case, we will reimburse the executive for relocation costs. To the extent such reimbursement

is taxable to the recipient, we may also provide a cash payment to the recipient to offset the tax payable on such reimbursement, in whole or in part, taking into account the tax payable by the recipient on such tax gross-up as well.

At our request, Mr. Niles relocated to the Denver area in the third quarter of 2011. Our company agreed to reimburse Mr. Niles for up to \$75,000 of reasonable expenses incurred in connection with his relocation, inclusive of any tax gross-up. In 2011, we reimbursed Mr. Niles for \$28,329 worth of expenses related to his relocation, which amount does not include any tax gross-up.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary	Bonus	Stock Awards (1)	Option Awards (1)	Non-Equity Incentive Plan Compensation	All Other Compensation	Total
William R. Fitzgerald <i>Chairman and Chief Executive Officer</i>	2011	\$ 553,823	—	\$ 2,236,856	\$ 1,028,882	—	\$ 3,430(2)(3)	\$ 3,822,991
	2010	\$ 426,000	—	\$ 160,007(4)	—	—	\$ 15,659(2)(3)	\$ 591,007
	2009	\$ 426,248	—	—	—	—	\$ 5,384(3)	\$ 431,632
Michael R. Haislip (5) <i>Senior Vice President</i>	2011	\$ 432,778	\$ 319,125(6)	\$ 1,084,677	\$ 877,500	—	\$ 2,450(7)	\$ 2,716,530
Michael R. Meyers (5) <i>Executive Vice President and Chief Financial Officer</i>	2011	\$ 364,820	\$ 188,132(6)	\$ 655,795	\$ 526,500	—	\$ 2,450(7)	\$ 1,737,697
William E. Niles <i>Executive Vice President, General Counsel and Secretary</i>	2011	\$ 461,950	\$ 255,000	\$ 1,438,520	\$ 998,931	112,140(8)	\$ 33,609(3)(7)(9)	\$ 3,300,150
	2010	\$ 491,000	\$ 160,000	\$ 49,999(4)	—	—	\$ 4,155(3)(7)	\$ 705,154
	2009	\$ 509,845	—	—	\$ 336,655	\$ 501,600(10)	\$ 8,770(3)(7)	\$ 1,356,870
John A. Orr <i>Senior Vice President</i>	2011	\$ 348,673	\$ 175,000	\$ 114,980	—	—	\$ 5,160(3)(7)	\$ 643,813
	2010	\$ 344,692	\$ 115,000	—	—	—	\$ 4,900(3)(7)	\$ 464,592
	2009	\$ 321,250	\$ 125,000	—	—	—	\$ 1,826(3)(7)	\$ 448,076
George C. Platasa (11) <i>Former Executive Vice President and Chief Financial Officer</i>	2011	\$ 392,800	—	—	—	\$ 112,140(12)	\$ 4,737(3)(7)	\$ 509,677
	2010	\$ 491,000	—	\$ 49,999(4)	—	—	\$ 4,900(3)(7)	\$ 545,899
	2009	\$ 509,845	—	—	\$ 336,655	\$ 501,600(10)	\$ 10,320(3)(7)	\$ 1,358,420

- (1) The aggregate grant date fair value of stock awards and option awards has been computed in accordance with FASB ASC Topic 718, but (pursuant to SEC regulations) without reduction for estimated forfeitures. For a description of the assumptions applied in these calculations, see Note 14 to our consolidated financial statements for the year ended December 31, 2011 (which are included in our 2011 Form 10-K).

- (2) Includes amounts paid to Mr. Fitzgerald for tax preparation fees and amounts paid to Liberty Media for health and welfare benefits under the services agreement with Liberty Media. See “Certain Relationships and Related Party Transactions— Services Agreement with Liberty Media.”

- (3) Includes the following term life insurance premiums:

Name	Amounts (\$)		
	2011	2010	2009
William R. Fitzgerald	556	652	384
William E. Niles	380	751	520
John A. Orr	260	528	328
George C. Platisa	583	751	520

- (4) Represents the grant date fair value of stock awards made in 2010 with respect to the specified named executive officer’s performance in 2009.

- (5) Compensation information has been included for 2011 only because Messrs. Haislip and Meyers were not named executive officers in 2010 or 2009.

- (6) Represents bonus amounts paid during the year ended December 31, 2011 with respect to the following periods:

Name	Amounts (\$)	
	July 1, 2010 - June 30, 2011	July 1, 2011 - December 31, 2011
Michael R. Haislip	190,125	129,000
Michael R. Meyers	115,132	73,000

- (7) Includes the following matching contributions to the applicable named executive officer’s 401(k) account:

Name	Amounts (\$)		
	2011	2010	2009
Michael R. Haislip	2,450	—	—
Michael R. Meyers	2,450	—	—
William E. Niles	4,900	4,155	8,250
John A. Orr	4,900	4,900	1,498
George C. Platisa	4,154	4,900	9,800

- (8) Represents the Par Value, as of December 31, 2010, of the 9,000 PARs granted to Mr. Niles under the LTIP in July 2010. These PARs vested on December 31, 2010 and are payable as described under “—Compensation Discussion and Analysis— Elements of 2011 Executive Compensation —LTIP.” We anticipate that payment will be made to Mr. Niles on March 31, 2014.

- (9) Includes \$28,329 of moving expenses paid to Mr. Niles in connection with his relocation to the Denver area.

- (10) Represents amounts paid as AH Distributions to Messrs. Niles and Platisa in February and August of 2009. See “— Compensation Discussion and Analysis— Elements of 2011 Executive Compensation —LTIP.”

- (11) For a description of the severance and bonus paid to Mr. Platisa in March 2012 in connection with his August 2011 termination, please see “—Potential Payments Upon Termination or Change of Control—Benefits Payable Upon Termination or Change in Control.”
- (12) Represents amounts paid to Mr. Platisa in March 2012 for the 9,000 PARs granted to him under the LTIP in July 2010. These PARs vested on December 31, 2010 and became payable as described under “—Compensation Discussion and Analysis — Elements of 2011 Executive Compensation —LTIP.”

Employment Agreements

Each of Messrs. Fitzgerald, Haislip, Meyers, Niles and Orr has entered into an employment agreement with our company, and Mr. Platisa had entered into an employment agreement with AMG, which agreements in each case set forth the respective terms and conditions of the applicable named executive officer’s employment. Mr. Platisa’s employment agreement was assigned to and assumed by our company on December 28, 2010.

The material terms of the existing employment agreements of our named executive officers are set forth below.

Term

The term of the employment agreements of each of Messrs. Fitzgerald and Orr is five years, commencing effective as of September 17, 2008 (the date of the spin-off of our company from DHC) and ending on September 16, 2013. The term of Mr. Niles’ employment agreement is five years, commencing effective March 1, 2011 and ending on February 29, 2016. The term of the employment agreements of each of Messrs. Haislip and Meyers is five years, commencing effective as of June 15, 2011 and ending on June 14, 2016. The term of Mr. Platisa’s employment ended on August 31, 2011.

Base Salary

Pursuant to their respective employment agreements, each of our named executive officers receives a base salary that is subject to an annual review for increase by the compensation committee. The 2011 base salaries for each of our named executive officers are set forth in the “Summary Compensation Table” above.

Bonus

Each of Messrs. Fitzgerald, Haislip, Meyers, Niles and Orr is eligible to receive a bonus in a certain range based on percentages of the applicable named executive officer’s base salary (75% to 150% in the case of Mr. Fitzgerald, 60% to 75% in the case of Mr. Haislip, 50% to 75% in the case of Messrs. Niles and Orr, and 40% to 50% in the case of Mr. Meyers). Each such officer’s entitlement to receive such bonus, and the actual amount thereof, is determined by the compensation committee in its sole discretion based on the applicable named executive officer’s achievement of certain performance criteria as the compensation committee may establish in its sole discretion.

Equity Incentive Awards

Each of the employment agreements of Messrs. Fitzgerald and Orr memorialized stock option and restricted stock grants previously made under the incentive plan to the applicable named executive officer. Mr. Fitzgerald’s employment agreement provided for the grant of the following equity awards: (i) options to purchase 347,059 shares of our Series A common stock at an exercise price of \$21.81 and (ii) 91,701 restricted shares of our Series A common stock. In connection with an amendment to Mr. Fitzgerald’s employment agreement, he also received (i) 23,909 and 5,959 restricted shares of our Series A common stock and (ii) options to purchase 50,634 shares of our Series A common stock at an exercise price of \$48.15. Mr. Orr’s employment agreement provided for the grant of the following equity awards: (i) options to purchase 121,799 shares of our Series A common stock at an exercise price of \$23.16 and (ii) 34,542 restricted shares of our Series A common stock. Mr. Niles’ employment

agreement provided for the grant of the following equity awards: (i) options to purchase 49,160 shares of our Series A common stock at an exercise price of \$48.15 and (ii) 23,212 and 5,785 restricted shares of our Series A common stock. See “—Outstanding Equity Awards at Fiscal Year-End” below.

Messrs. Haislip and Meyers also received equity incentive awards in connection with their entrance into new employment agreements in 2011. For a description of these awards, see “—Compensation Discussion and Analysis—Elements of 2011 Executive Compensation—Equity Incentive Compensation—Awards to New Executives.”

Non-Equity Incentive Awards

The former employment agreements of each of Messrs. Platasa and Niles entitled the applicable named executive officer to participate in the now defunct AMG Management Incentive Plan (**MIP**) and the LTIP or any similar plan. For a description of the LTIP, and amounts paid or payable thereunder, see “—Compensation Discussion and Analysis—Elements of 2011 Executive Compensation—Non-Equity Incentive Compensation—LTIP” above.

Termination

The terms and conditions of compensation payable upon termination of the employment of each named executive officer are summarized in “—Potential Payments Upon Termination or Change-in-Control” below.

Gross-Up

Under Mr. Fitzgerald’s employment agreement, if any payment or distribution in the nature of compensation (as defined in Section 280G(b)(2) of the Code) to or for the benefit of Mr. Fitzgerald would be subject to excise tax imposed by Section 4999 of the Code, Mr. Fitzgerald will be entitled to receive a gross-up payment equivalent on an after-tax basis to the amount of such excise tax.

Grants of Plan-Based Awards

The following table contains information regarding plan-based incentive awards granted during the year ended December 31, 2011.

Name	Grant Date	All Stock Awards: Number of Shares of Stock or Units (#)	All Option Awards: Number of Shares of Stock Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$)
William R. Fitzgerald	3/15/2011	10,445(1)	—	—	\$ 449,971
	3/15/2011	23,909(2)	—	—	\$ 1,030,000
	3/29/2011	5,959(2)	—	—	\$ 286,926
	3/29/2011	—	50,634(2)	48.15	\$ 1,028,883
	12/21/2011	9,029(3)	—	—	\$ 469,960
Michael R. Haislip	3/15/2011	4,642(4)	—	—	\$ 199,977
	9/30/2011	22,500(5)	—	—	\$ 884,700
	9/30/2011	—	75,000(5)	48.00	\$ 877,500
Michael R. Meyers	3/15/2011	2,901(4)	—	—	\$ 124,975
	9/30/2011	13,500(5)	—	—	\$ 530,820
	9/30/2011	—	45,000(5)	48.00	\$ 526,500
William E. Niles	3/15/2011	3,714(1)	—	—	\$ 159,999
	3/15/2011	23,212(6)	—	—	\$ 999,973
	3/29/2011	5,785(6)	—	—	\$ 278,548
	3/29/2011	—	49,160(6)	48.15	\$ 998,931
John A. Orr	3/15/2011	2,669(1)	—	—	\$ 114,980

- (1) Represents Series A restricted stock awards which were subject to vesting in four equal quarterly installments over a period of one year.
- (2) Represents Series A restricted stock and option awards which were subject to vesting in sixteen equal quarterly installments over a period of four years.
- (3) Represents a Series B restricted stock award which was subject to vesting in four equal quarterly installments over a period of one year.
- (4) Represents Series A restricted stock awards which were subject to vesting in eight equal quarterly installments over a period of two years.
- (5) Represents Series A restricted stock and option awards which were subject to vesting in accordance with the following schedule: (a) 20% of the restricted shares and options will vest in four equal quarterly installments during 2013, (b) 30% of the restricted shares and options will vest in four equal quarterly installments during 2014 and (c) 50% of the restricted shares and options will vest in four equal quarterly installments during 2015.
- (6) Represents Series A restricted stock and option awards which were subject to vesting in twenty equal quarterly installments over a period of five years.

Outstanding Equity Awards at Fiscal Year-End

The following table contains information regarding unexercised options to acquire shares of our common stock, and unvested restricted stock awards, which were outstanding as of December 31, 2011 and held by our named executive officers.

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options- Exercisable	Number of Securities Underlying Unexercised Options- Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have not Vested (#)	Market Value of Shares or Units of Stock That Have not Vested (\$)
William R. Fitzgerald						
<i>Option Awards</i>						
Series A	225,585	121,474(1)	\$ 21.81	9/17/18	—	—
Series A	6,328	44,306(2)	\$ 48.15	3/29/18	—	—
<i>Stock Awards</i>						
Series A	—	—	—	—	17,195(3)	\$ 872,130
Series A	—	—	—	—	2,612(4)	\$ 132,481
Series A	—	—	—	—	26,136(2)	\$ 1,325,618
Series B	—	—	—	—	9,029(5)	\$ 457,951
Michael R. Haislip						
<i>Option Awards</i>						
Series A	—	75,000(6)	\$ 48.00	12/31/17	—	—
<i>Stock Awards</i>						
Series A	—	—	—	—	2,902(7)	\$ 147,189
Series A	—	—	—	—	22,500(6)	\$ 1,141,200
Michael R. Meyers						
<i>Option Awards</i>						
Series A	—	45,000(6)	\$ 48.00	12/31/17	—	—
<i>Stock Awards</i>						
Series A	—	—	—	—	1,815(7)	\$ 92,057
Series A	—	—	—	—	13,500(6)	\$ 684,720
William E. Niles						
<i>Option Awards</i>						
Series A	9,001	8,639(8)	\$ 25.09	1/16/19	—	—
Series A	7,374	41,786(9)	\$ 48.15	3/29/18	—	—
<i>Stock Awards</i>						
Series A	—	—	—	—	930(4)	\$ 47,170
Series A	—	—	—	—	24,650(9)	\$ 1,250,248

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options- Exercisable	Number of Securities Underlying Unexercised Options- Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have not Vested (#)	Market Value of Shares or Units of Stock That Have not Vested (\$)
John A. Orr						
<i>Option Awards</i>						
Series A	79,169	42,630(1)	\$ 23.16	9/17/2018	—	—
<i>Stock Awards</i>						
Series A	—	—	—	—	6,478(3)\$	328,564
Series A	—	—	—	—	668(4)\$	33,881
George C. Platisa						
<i>Option Awards</i>						
Series A	19,001	8,639(8)	\$ 25.09	1/16/2019	—	—

- (1) Vests quarterly over five years from September 17, 2008.
- (2) Vests quarterly over four years from April 1, 2011.
- (3) Vests quarterly over four years from September 17, 2008.
- (4) Vests quarterly over one year from January 1, 2011.
- (5) Vests quarterly over one year from September 30, 2011.
- (6) Vests in accordance with the following schedule: (a) 20% of the restricted shares and options will vest in four equal quarterly installments during 2013, (b) 30% of the restricted shares and options will vest in four equal quarterly installments during 2014 and (c) 50% of the restricted shares and options will vest in four equal quarterly installments during 2015.
- (7) Vests quarterly over two years from March 1, 2011.
- (8) Vests quarterly over four years from January 16, 2009.
- (9) Vests quarterly over five years from March 1, 2011.

Option Exercises and Stock Vested

The following table sets forth information regarding the exercise of vested options and vesting of restricted stock held by our named executive officers, in each case, during the year ended December 31, 2011.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)(1)	Value Realized on Vesting (\$)
William R. Fitzgerald Series A	—	—	34,490	\$ 1,566,113
Michael R. Haislip Series A	—	—	1,740	\$ 81,858
Michael R. Meyers Series A	—	—	1,086	\$ 51,091
William E. Niles Series A	10,000	\$ 205,800	7,131	\$ 334,889
John A. Orr Series A	—	—	10,636	\$ 480,966

(1) Includes shares withheld in payment of withholding taxes at election of holder.

Potential Payments Upon Termination or Change-in-Control

Each of the employment agreements of our named executive officers, as in effect on December 31, 2011, and each of our incentive plans provides for rights upon certain termination events, with adjustments to be made to the amounts payable to certain named executive officers if the termination occurs concurrently with or following a change of control of our company.

Change of Control

Under each of the employment agreements of Messrs. Fitzgerald and Orr, a change of control of our company would be deemed to have occurred if any of the following occurs:

- (i) any person or group (other than Mr. Malone and certain affiliates, each of whom we refer to as an **Ascent Permitted Holder**) acquires, together with stock already held by such person or group, more than 50% of the total fair market value or more than 50% of the total voting power of the stock of our company;
- (ii) any person or group (other than an Ascent Permitted Holder) acquires, in a single transaction or in multiple transactions during a 12-month period, assets of our company having a gross fair market value of 40% or more of the total gross fair market value of all of our company's assets immediately prior to such acquisition or acquisitions;
- (iii) any person or group (other than an Ascent Permitted Holder) acquires, in a single transaction or in multiple transactions during a 12-month period, 30% or more of the total voting power of the stock of our company; or
- (iv) a majority of our company's board of directors is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of our board of directors before the date of appointment or election.

Any such change of control results in an increase in each such executive's severance, as described under "-Termination Without Cause" below.

Under Mr. Platisa's employment agreement, a change of control occurred on December 31, 2010 when we completed the sale of AMG. We have included in the table below under the heading "Termination Without Cause or for Good Reason (After a Change of Control)" the actual amounts paid to Mr. Platisa as a result of this change of control.

Termination for Cause

If our company terminated any of our named executive officers for "Cause," we would have no further liability or obligations under the applicable agreement to such named executive officer other than accrued and unpaid base salary and vacation time, all approved and unpaid bonus amounts and all incurred and unpaid expenses. "Cause" is generally defined to include: breaches of material obligations under the applicable employment agreement; continued failure to perform the applicable named executive officer's duties; material violations of company policies or applicable laws and regulations; fraud, dishonesty or misrepresentation; gross negligence in the performance of duties; conviction of a felony or crime of moral turpitude; and other misconduct that is materially injurious to our financial condition or business reputation.

Termination Without Cause

If our company terminated the employment of Messrs. Fitzgerald or Orr without cause, our company would become obligated to pay the applicable named executive officer all accrued and unpaid base salary and vacation time, all approved and unpaid bonus amounts and all incurred and unpaid expenses, as well as a severance payment equal to:

- (i) if termination occurs prior to a change of control, as defined in the employment agreement, the product of 2 (in the case of Mr. Fitzgerald) or 1 (in the case of Mr. Orr) times the sum of (A) the named executive officer's base salary plus (B) the named executive officer's minimum target bonus (equal to 75%, in the case of Mr. Fitzgerald, or 50%, in the case of Mr. Orr, of the named executive officer's base salary); or
- (ii) if termination occurs concurrently with or following such a change of control, the product of 2.5 (in the case of Mr. Fitzgerald) or 1.5 (in the case of Mr. Orr) times the sum of (A) the named executive officer's base salary plus (B) the named executive officer's minimum target bonus (equal to 75%, in the case of Mr. Fitzgerald, or 50%, in the case of Mr. Orr, of the named executive officer's base salary).

If our company terminated the employment of Messrs. Haislip, Meyers or Niles without cause, our company would become obligated to pay the applicable named executive officer all accrued and unpaid base salary and vacation time, all approved and unpaid bonus amounts and all incurred and unpaid expenses, as well as a severance payment equal to:

- (i) in the case of Mr. Haislip, an amount equal to the sum of (A) 1.5 times his annual base salary plus (B) his minimum target bonus of 60% of his base salary (which shall be pro rated for the number of days worked during the year of such termination);
- (ii) In the case of Mr. Meyers, an amount equal to the sum of (A) 1.25 times his annual base salary plus (B) his minimum target bonus of 40% of his base salary (which shall be pro rated for the number of days worked during the year of such termination); and
- (iii) In the case of Mr. Niles, and amount equal to the sum of (A) 1.5 times his annual base salary plus (B) his minimum target bonus of 50% of his base salary (which shall be pro rated for the number of days worked during the year of such termination).

We have included in the table below under the heading "Termination Without Cause or for Good Reason (After a Change of Control)" the actual amounts paid to Mr. Platisa pursuant to his employment agreement in connection with his termination following the change of control of AMG.

In addition, the multi-year awards of Messrs. Fitzgerald and Niles provide for certain acceleration events (other than upon a change of control, death or disability). If either of Messrs. Fitzgerald or Niles is terminated without cause, their multi-year stock option awards (with respect to 50,634 and 49,160 Series A shares, respectively) will vest as to the portion of such awards that would have vested through the end of the calendar year in which the termination occurred. Mr. Niles multi-year restricted stock award of 23,212 Series A shares also provides for full vesting in the event he is terminated without cause.

Similarly, the September 2011 Grants to Messrs. Haislip and Meyers provide for certain acceleration events (other than upon a change of control, death or disability). If either of Messrs. Haislip or Meyers is terminated without cause, their September 2011 Grant stock option awards and restricted stock awards will vest as to the portion of such awards that would have vested through the end of the calendar year in which the termination occurred, unless such termination occurs prior to January 1, 2013, in which case, each would vest as to 20% of the total number of options or restricted shares, as applicable, covered by such awards.

Termination with Good Reason

Subject to certain notice provisions and our rights with respect to a cure period or a renegotiation period, as applicable, each of our current named executive officers may terminate his employment for “Good Reason” and receive the same rights and payments as if such named executive officer’s employment was terminated without Cause. “Good Reason” is defined in each employment agreement to include:

- (i) in the case of Mr. Fitzgerald, a material reduction in base salary, a material reduction in Mr. Fitzgerald’s responsibilities with our company, a material change in the office or location at which Mr. Fitzgerald is required to perform services and a material breach by our company of any provision of his employment agreement;
- (ii) in the case of Messrs. Haislip and Meyers, a material reduction in base salary, the company requiring the applicable named executive officer to devote a majority of such officer’s time to the performance of duties that are materially inconsistent with such officer’s position at the company, the relocation of the applicable named executive officer’s principal place of employment by more than 75 miles, and a material breach by our company of any provision of the applicable named executive officer’s employment agreement;
- (iii) in the case of Mr. Niles, a reduction in base salary, the relocation of his principal place of employment by more than 35 miles and a material breach by our company of any provision of his employment agreement; and
- (iv) in the case of Mr. Orr, a material reduction in base salary and a material breach by our company of any provision of his employment agreement.

We have included in the table below under the heading “Termination Without Cause or for Good Reason (After a Change of Control)” the actual amounts paid to Mr. Platisa pursuant to his employment agreement in connection with his termination following the change of control of AMG.

Death or Disability

In the event any of our named executive officers dies or becomes disabled during such named executive officer’s term of employment, we become obligated to pay such named executive officer (or his legal representative, as applicable) all accrued and unpaid base salary and vacation time, all approved and unpaid bonus amounts and all incurred and unpaid expenses. In addition:

- (i) Mr. Fitzgerald is entitled to a lump sum amount equal to his annual base salary in effect on the date of termination multiplied by 2 (unless he is covered by our company’s basic life insurance group benefit plan, in which case such lump sum will be reduced to an amount equal to his annual base salary in effect on the date of termination); and
- (ii) Mr. Niles is entitled to a lump sum amount equal to his monthly base salary in effect on the date of termination for the lesser of six months or the remainder of the term of his employment agreement.

Non-Renewal

Each of the employment agreements of Messrs. Fitzgerald, Haislip, Meyers and Niles provides that, if (i) we do not offer him a new employment agreement beyond the term of his existing employment agreement or (ii) we do offer him such a new employment agreement but it is generally not as favorable, in all material respects, as his existing employment agreement, then such named executive officer will be deemed terminated without Cause and entitled to the severance benefits described under “—Termination Without Cause” above. In addition, Mr. Fitzgerald’s agreement provides that if he fails to accept an offer of a new employment agreement that is as favorable, in all material respects, as his existing employment agreement, he will be entitled to the same

consideration payable with respect to a termination without Cause, except that his severance payment will be 1.0 times (rather than 2.0 times) his base salary.

LTIP

As described under “-Compensation Disclosure and Analysis—Non-Equity Incentive Compensation—LTIP” above, the LTIP provided for full vesting of all outstanding PARs in connection with a change of control of AMG, which occurred on December 31, 2010. The table below includes the amounts actually paid to Mr. Platisa under the LTIP in connection with his termination of employment and the amounts accrued, as of December 31, 2011, that are payable to Mr. Niles in accordance with the LTIP.

Incentive Plan

Under certain conditions, including the occurrence of certain approved transactions, a board change or a control purchase (all as defined in the incentive plan), options and SARs will become immediately exercisable, the restrictions on restricted shares will lapse and restricted stock units will become fully vested, unless individual agreements state otherwise. At the time an award is granted, the compensation committee will determine, and the relevant agreement will provide for, any vesting or early termination, upon a holder’s termination of employment with our company, of any unvested options, SARs, restricted stock units or restricted shares, and the period following any such termination during which any vested options, SARs and stock units must be exercised. Unless otherwise provided in the relevant agreement, (1) no option or SAR may be exercised after its scheduled expiration date, (2) if the holder’s service terminates by reason of death or disability (as defined in the incentive plan), his or her options or SARs shall remain exercisable for a period of at least one year following such termination (but not later than the scheduled expiration date) and (3) any termination of the holder’s service for “cause” (as defined in the incentive plan) will result in the immediate termination of all options, SARs and restricted stock units and the forfeiture of all rights to any restricted shares retained distributions, unpaid dividend equivalents and related cash amounts held by such terminated holder. If a holder’s service terminates due to death or disability, options and SARs will become immediately exercisable, the restrictions on restricted shares will lapse and stock units will become fully vested, unless individual agreements state otherwise.

Benefits Payable Upon Termination or Change in Control

The following table sets forth benefits that would have been payable to each named executive officer if the employment of such named executive officer had been terminated on December 31, 2011, and assumes that all salary, vacation, bonus and expense reimbursement amounts accrued and payable on or before December 31, 2011 had been paid in full as of such date.

Name	Voluntary Termination	Termination for Cause	Termination Without Cause or for Good Reason (After a Change in Control)	Termination Without Cause or for Good Reason (Without a Change in Control)	Death	Disability
William R. Fitzgerald						
Severance	—	—	\$ 2,625,000	\$ 2,100,000	\$ 1,200,000	\$ 1,200,000
Restricted Stock	—	—	\$ 3,246,131(2)	—	\$ 3,246,131(2)	\$ 3,246,131(2)
Options	\$ 6,546,149(1)	—	\$ 10,163,605(2)	\$ 6,546,149(1)	\$ 10,163,605(2)	\$ 10,163,605(2)
Total	\$ 6,546,149	—	\$ 16,034,736	\$ 8,646,149	\$ 14,609,736	\$ 14,609,736
Michael R. Haislip						
Severance	—	—	\$ 645,000	\$ 645,000	—	—
Restricted Stock	—	—	\$ 1,288,389(2)	\$ 228,240(3)	\$ 1,288,389(2)	\$ 1,288,389(2)
Options	—	—	\$ 204,000(2)	\$ 40,800(3)	\$ 204,000(2)	\$ 204,000(2)
Total	—	—	\$ 2,137,389(4)	\$ 914,040(4)	\$ 1,492,389	\$ 1,492,389
Michael R. Meyers						
Severance	—	—	\$ 456,250	\$ 456,250	—	—
Restricted Stock	—	—	\$ 776,777(2)	\$ 136,944(3)	\$ 776,777(2)	\$ 776,777(2)
Options	—	—	\$ 122,400(2)	\$ 24,480(3)	\$ 122,400(2)	\$ 122,400(2)
Total	—	—	\$ 1,355,427(4)	\$ 617,674(4)	\$ 899,177	\$ 899,177
William E. Niles						
Severance	—	—	\$ 600,000	\$ 600,000	\$ 200,000	\$ 200,000
Restricted Stock	—	—	\$ 1,297,418(2)	\$ 1,000,807(5)	\$ 1,297,418(2)	\$ 1,297,418(2)
Options	\$ 249,672(1)	—	\$ 578,454(2)	\$ 249,672(1)	\$ 578,454(2)	\$ 578,454(2)
LTIP	\$ 112,140(6)	—	\$ 112,140(3)	\$ 112,140(6)	\$ 112,140(3)	\$ 112,140(3)
Total	\$ 361,812	—	\$ 2,588,012	\$ 1,962,619	\$ 2,188,012	\$ 2,188,012
John A. Orr						
Severance	—	—	\$ 787,500	\$ 525,000	—	—
Restricted Stock	—	—	\$ 362,445(2)	—	\$ 362,445(2)	\$ 362,445(2)
Options	\$ 2,181,898(1)	—	\$ 3,356,780(2)	\$ 2,181,898(1)	\$ 3,356,780(2)	\$ 3,356,780(2)
Total	\$ 2,181,898	—	\$ 4,506,725	\$ 2,706,898	\$ 3,719,225	\$ 3,719,225
George C. Platisa (7)						
Severance	—	—	\$ 1,595,750	—	—	—
Bonus	—	—	\$ 98,065	—	—	—
Restricted Stock	—	—	—	—	—	—
Options	—	—	\$ 487,021(8)	—	—	—
LTIP	—	—	\$ 112,140	—	—	—
Total	—	—	\$ 2,292,976	—	—	—

(1) Based on the number of vested options held by each named executive officer at year-end. For more information, see the “Outstanding Equity Awards at Fiscal Year-End” table above.

- (2) Based on (i) the number of vested options and (ii) the number of unvested options and the number of shares of restricted stock, in each case, held by each named executive officer at year-end. For more information, see the “Outstanding Equity Awards at Fiscal Year-End” table above.
- (3) Based on 20% of the total number of options or restricted shares, as applicable, subject to the named executive officer’s September 2011 Grants.
- (4) Amounts payable to Messrs. Haislip and Meyers are conditioned upon continued compliance with the terms of the non-competition and non-solicitation covenants contained in their respective employment agreements.
- (5) Based on 19,732 of the unvested restricted shares subject to Mr. Niles’ multi-year award on December 31, 2011.
- (6) Represents the aggregate PAR Value, as of December 31, 2010.
- (7) Represents the value of Mr. Platisa’s termination package at December 31, 2011.
- (8) Based on all of the stock options held by Mr. Platisa at December 31, 2011.

Compensation of Directors

Our directors who are also employees of our company receive no additional compensation for their services as directors. Each of our non-employee directors receives compensation for services as a director and, as applicable, for services as a member of any Board committee, as described below. All of our directors are reimbursed for travel expenses relating to the attendance of our Board or committee meetings.

Compensation Policy . Each of our non-employee directors is paid an annual cash retainer fee of \$55,000, payable quarterly in arrears. In addition, for their services on our board in 2010, each non-employee director received a restricted stock award with a grant date value of \$75,000, vesting quarterly over a two-year period. For service on each of our audit committee, compensation committee and nominating and corporate governance committee, each member received a restricted stock award with a grant date value of \$5,000 per committee, other than the chairman of each such committee who instead received a restricted stock award with a grant date value of \$15,000 per committee chaired. Any non-employee director serving in the role of chairman of our executive committee received a restricted stock award with a grant date value of \$15,000. All such restricted stock awards were made under our director plan (as described below). The restricted stock awards described above were paid with respect to 2010 service on our board of directors, and were granted on March 15, 2011, with the first tranche of each such award deemed vested on March 15, 2011.

On December 23, 2011, the board of directors approved the compensation package for our non-employee directors for their services in 2011. For 2011, each of our non-employee directors was paid an annual cash retainer fee of \$55,000, payable quarterly in arrears. In addition, for their services on our board in 2011, each non-employee director received an award of stock options with a grant date value of \$75,000, vesting quarterly over a two-year period. For service on each of our audit committee, compensation committee and nominating and corporate governance committee, each member received an award of stock options with a grant date value of \$5,000 per committee, other than the chairman of each such committee who instead received an award of stock options with a grant date value of \$15,000 per committee chaired. Any non-employee director serving in the role of chairman of our executive committee received an award of stock options with a grant date value of \$15,000. All such stock option awards were made under our director plan (as described below).

Director Plan . The Ascent Capital Group, Inc. 2008 Non-employee Director Incentive Plan (which we refer to as the **director plan**) is administered by our entire board of directors. Our Board has full power and authority to grant eligible persons the awards described below and to determine the terms and conditions under which any awards are made. The director plan is designed to provide our non-employee directors with additional remuneration for services rendered, to encourage their investment in our common stock (thereby increasing their proprietary interest in our business and increasing their personal interest in the continued success and progress of our company) and to aid in attracting persons of exceptional ability to become non-employee directors of our company. Our Board may grant non-qualified stock options, SARs, restricted shares, stock units and cash awards or any combination of the foregoing under the director plan (which we refer to, collectively, as **director awards**).

The maximum number of shares of our common stock with respect to which director awards may be issued under the director plan is 500,000, subject to anti-dilution and other adjustment provisions of the director plan. Shares of our common stock issuable pursuant to director awards are made available from either authorized but unissued shares or shares that have been issued but reacquired by us (including shares purchased in the open market).

Director Compensation Table

The following table sets forth compensation paid to our non-employee directors for services to our company during the year ended December 31, 2011 (except as described in note 2 below).

<u>Name</u>	<u>Fees Earned or Paid in Cash (\$)</u>	<u>Stock Awards (\$)(1)(2)(3)</u>	<u>Option Awards (\$)(1)(3)(4)</u>	<u>Total (\$)</u>
Philip J. Holthouse	\$ 55,000	\$ 100,000	\$ 100,000	\$ 255,000(2)
John C. Malone	—(5)	—	\$ 75,000	\$ 75,000
Brian C. Mulligan	\$ 55,000	\$ 100,000	\$ 100,000	\$ 255,000(2)
Michael J. Pohl	\$ 55,000	\$ 100,000	\$ 100,000	\$ 255,000(2)
Carl E. Vogel	\$ 55,000	\$ 95,000	\$ 95,000	\$ 245,000(2)

- (1) The aggregate grant date fair value of stock awards and option awards has been computed in accordance with FASB ASC Topic 718, but (pursuant to SEC regulations) without reduction for estimated forfeitures. For a description of the assumptions applied in these calculations, see Note 14 to our consolidated financial statements for the year ended December 31, 2011 (which are included in our Annual Report on Form 10-K as filed with the SEC on February 29, 2012).
- (2) Our non-employee directors received the following restricted stock awards on March 15, 2011 in recognition of services rendered to our Board during 2010. Such shares of restricted stock will vest in eight equal quarterly installments over a period of two years.

<u>Name</u>	<u>Shares of Restricted Stock</u>
Philip J. Holthouse	2,321
Brian C. Mulligan	2,321
Michael J. Pohl	2,321
Carl E. Vogel	2,205

- (3) As of December 31, 2011, our non-employee directors held the following stock incentive awards:

	<u>Philip J. Holthouse</u>	<u>John C. Malone</u>	<u>Brian C. Mulligan</u>	<u>Michael J. Pohl</u>	<u>Carl E. Vogel</u>
<i>Options</i>					
Series A	17,692	4,997	17,692	17,692	6,329
<i>Restricted Stock</i>					
Series A	7,498	—	7,498	7,498	6,035

- (4) The options granted to non-employee directors in 2011 will vest in eight equal quarterly installments over a period of two years, have a strike price of \$50.45 and will expire on December 23, 2016. Each director received options to acquire the number of shares of Series A common stock set forth opposite such director's name below:

<u>Name</u>	<u>Number of Options</u>
Philip J. Holthouse	6,662
John C. Malone	4,997
Brian C. Mulligan	6,662
Michael J. Pohl	6,662
Carl E. Vogel	6,329

- (5) Mr. Malone waived his retainer fees for 2011.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth information as of December 31, 2011, with respect to shares of our common stock authorized for issuance under our equity compensation plans.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in first column)
Equity compensation plans approved by security holders:			
Ascent Capital Group, Inc. 2008 Incentive Plan:			1,078,543(1)
Series A common stock	818,307	\$ 31.50	
Series B common stock	—	—	
Ascent Capital Group, Inc. 2008 Non-Employee Director Incentive Plan:			438,381(1)
Series A common stock	64,402	\$ 35.73	
Series B common stock	—	—	
Equity compensation plans not approved by security holders—			
None:	—	—	—
Total:	882,709		1,516,924(1)
Series A common stock	882,709		
Series B common stock	—		

(1) Each plan permits grants of, or with respect to, shares of our Series A common stock or Series B common stock subject to a single aggregate limit.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Review and Approval of Related Party Transactions

We adopted a code of ethics and corporate governance guidelines to govern the review and approval of related party transactions. Under our code of ethics, any transaction which may involve an actual or potential conflict of interest and is required to be disclosed pursuant to Item 404 of Regulation S-K promulgated by the SEC, and must be approved by the audit committee or another independent body of our board of directors designated by our Board. Under our corporate governance guidelines, if a director has an actual or potential conflict of interest, the director must promptly inform our Chief Executive Officer and the chair of our audit committee. All directors must recuse themselves from any discussion or decision that involves or affects their personal, business or professional interests. In addition, an independent committee of our Board, designated by our Board, will resolve any conflict of interest issue involving a director, our Chief Executive Officer or any other executive officer. No related party transaction (as defined by Item 404(a) of Regulation S-K promulgated by the SEC) may be effected without the approval of such independent committee.

Services Agreement with Liberty Media

Pursuant to the services agreement between Liberty Media and DHC, which was assumed by our company in connection with our spin-off from DHC in September 2008, Liberty Media agreed to provide certain general and administrative services including legal, tax, accounting, treasury and investor relations support, as and to the extent requested by us. We agreed to reimburse Liberty Media for direct, out-of-pocket expenses incurred by Liberty Media in providing these services and for our allocable portion of costs associated with any shared services or personnel. The services agreement provides for Liberty Media and our company to review cost allocations every six months and adjust such charges, if appropriate. John C. Malone, a director of our company, is the Chairman of the Board of Liberty Media and beneficially owns Liberty Media common stock representing approximately 33% of Liberty Media's aggregate voting power as of December 31, 2011. In 2011, we reimbursed Liberty Media approximately \$155,815 for (i) certain general and administrative services and office space and (ii) certain benefits made available to Mr. Fitzgerald, our Chairman of the Board and Chief Executive Officer, each pursuant to the services agreement.

STOCKHOLDER PROPOSALS

This proxy statement relates to our annual meeting of stockholders for the calendar year 2012 which will take place on July 2, 2012. We currently expect that our annual meeting of stockholders for the calendar year 2013 will be held within 30 days of the anniversary of this year's meeting. In order to be eligible for inclusion in the proxy materials for the 2013 annual meeting, any stockholder proposal must have been submitted in writing to our Corporate Secretary and received at our executive offices at 5251 DTC Parkway, Suite 1000, Greenwood Village, Colorado 80111, on or before the close of business on December 31, 2012 unless a later date is determined and announced in connection with the actual scheduling of the annual meeting. To be considered for presentation at the 2013 annual meeting, any stockholder proposal must have been received at our executive offices at the foregoing address on or before the close of business on May 3, 2013 or such later date as may be determined and announced in connection with the actual scheduling of the annual meeting.

All stockholder proposals for inclusion in our proxy materials will be subject to the requirements of the proxy rules adopted under the Exchange Act and, as with any stockholder (regardless of whether it is included in our proxy materials), our charter and bylaws and Delaware law.

ADDITIONAL INFORMATION

We file annual, quarterly and special reports, proxy materials and other information with the SEC. You may read and copy any document that we file at the Public Reference Room of the SEC at 450 Fifth Street, NW, Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. You may also inspect our filings at the regional offices of the SEC or over the Internet at the SEC's website at www.sec.gov. Additional information can also be found on our website at <http://www.ascentcapitalgroupinc.com>. (Information contained on any website referenced in this proxy statement is not incorporated by reference in this proxy statement.) **If you would like to receive a copy of our Annual Report on Form 10-K for the year ended December 31, 2011, or any of the exhibits listed therein, please call or submit a request in writing to Investor Relations, Ascent Capital Group, Inc., 5251 DTC Parkway, Suite 1000, Greenwood Village, Colorado 80111, telephone: (303) 628-5600, and we will provide you with the Annual Report without charge, or any of the exhibits listed therein upon the payment of a nominal fee (which fee will be limited to the expenses we incur in providing you with the requested exhibits).**