

Vaughan Foods, Inc.  
Form 10-Q  
November 09, 2007

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended September 30, 2007**

**OR**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from to**

**Commission file number 001-33446**

**VAUGHAN FOODS, INC.**

(Exact name of registrant as specified in its charter)

**Oklahoma**

(State or other jurisdiction of  
incorporation or organization)

**73-1342046**

(I.R.S. Employer  
Identification No.)

**216 N.E. 12th Street, Moore, OK**

(Address of principal executive offices)

**73160**

(Zip Code)

**(405) 794-2530**

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of  accelerated filer and large accelerated filer  in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

Number of shares outstanding of the registrant's common stock, as of November 7, 2007:

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Class	Shares Outstanding
Common Stock, \$0.001 par value per share	4,623,077

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**VAUGHAN FOODS, INC.**  
**Form 10-Q**  
**For the Quarterly Period Ended September 30, 2007**  
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[Certification Pursuant to 18 U.S.C. Section 1350](#)

**PART 1 □ FINANCIAL INFORMATION****ITEM 1 □ FINANCIAL STATEMENTS.**

**VAUGHAN FOODS, INC.**  
**Consolidated Balance Sheets**  
**September 30, 2007 & December 31, 2006**

	<u>September 30,</u> <u>2007</u>	<u>December 31,</u> <u>2006</u>
	(unaudited)	
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 3,210,392	\$ 868,377
Accounts receivable, net of allowance for credit losses of \$65,045 at December 31, 2006 and \$94,270 at September 30, 2007	6,721,998	3,414,843
Accounts receivable, related party	-	144,243
Inventories	2,381,898	631,674
Prepaid expenses and other assets	97,812	79,793
Bridge loan asset, net of amortization	-	562,500
Deferred tax assets	35,823	24,717
<b>Total current assets</b>	<b>12,447,923</b>	<b>5,726,147</b>
Restricted assets:		
Cash	280	270
Investments	1,016,107	597,181
Certificate of deposit	250,000	250,000
<b>Total restricted assets</b>	<b>1,266,387</b>	<b>847,451</b>
Property and equipment, net	17,077,401	13,102,988
Other assets:		
Assets held for sale	-	40,000
Loan origination fees, net of amortization	381,477	516,410
Intangible assets	842,732	-
Deferred tax assets, noncurrent	75,288	202,119
Deferred cost of public offering	-	566,955
<b>Total other assets</b>	<b>1,299,497</b>	<b>1,325,484</b>
<b>Total assets</b>	<b>\$ 32,091,208</b>	<b>\$ 21,002,070</b>
<u>Liabilities and Stockholders' Equity (Deficiency)</u>		
Current liabilities:		
Accounts payable	\$ 5,302,796	\$ 4,221,635
Accounts payable, related party	-	69,502
Line of credit	78,996	2,726,578

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Short-term borrowings	1,000,000	3,000,000
Bridge funding liability	-	1,125,000
Note payable to former owners of Allison's Gourmet Kitchens, LP	1,000,000	-
Accrued liabilities	1,951,300	1,011,985
Current portion of long-term debt	813,847	606,885
Current portion of capital lease obligation	185,161	172,370
Amounts payable to former owners of Wild About Food	382,002	-
<b>Total current liabilities</b>	<b>10,714,102</b>	<b>12,933,955</b>
<b>Long term liabilities:</b>		
Long-term debt, net of current portion	9,778,503	8,187,067
Capital lease obligation, net of current portion	346,008	479,618
Amounts payable to former owners of Wild About Food, net of current portion	160,864	-
<b>Total long-term liabilities</b>	<b>10,285,375</b>	<b>8,666,685</b>
<b>Stockholders' equity (deficiency):</b>		
Common stock, \$0.001 par value; authorized 50,000,000 shares; 2,300,000 shares issued and outstanding at December 31, 2006 and 4,623,077 shares issued and outstanding at September 30, 2007	4,623	2,300
Preferred stock, \$0.001 par value; authorized 5,000,000 shares; 0 shares issued and outstanding at December 31, 2006 and September 30, 2007	-	-
Paid in Capital	12,563,803	413,693
Member Capital (deficit)	(33,634)	(22,921)
Retained Earnings (deficit)	(1,443,061)	(991,642)
<b>Total stockholders' equity (deficiency)</b>	<b>11,091,731</b>	<b>(598,570)</b>
<b>Total liabilities and stockholders' equity (deficiency)</b>	<b>\$ 32,091,208</b>	<b>\$ 21,002,070</b>

The accompanying notes are an integral part of these consolidated financial statements.

**VAUGHAN FOODS, INC.**  
**Unaudited Consolidated Statements of Operations**  
**For the Three Months and Nine Months Ended September 30, 2007 and 2006**

	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Net sales	\$ 20,473,836	\$ 12,958,385	\$ 46,952,777	\$ 39,276,344
Cost of sales	17,876,869	12,365,243	41,882,101	36,819,422
Gross profit	2,596,967	593,142	5,070,676	2,456,922
Selling, general and administrative expenses	2,174,168	904,769	3,977,368	3,121,357
Operating income (loss)	422,799	(311,627)	1,093,308	(664,435)
Rent income	-	69,513	219,805	203,137
Interest expense	(329,748)	(669,108)	(1,726,715)	(1,175,434)
Loss on sale of asset	-	(3,931)	(21,486)	(3,931)
Interest income	64,163	11,828	88,681	40,142
Other income and expense, net	(265,585)	(591,698)	(1,439,715)	(936,086)
Net income (loss) before income taxes	157,214	(903,325)	(346,407)	(1,600,521)
Income tax expense (benefit)	61,610	(313,483)	115,725	(562,280)
Net income (loss)	\$ 95,604	\$ (589,842)	\$ (462,132)	\$ (1,038,241)
Weighted average shares outstanding - basic and diluted	4,623,077	2,300,000	3,074,359	2,300,000
Net income (loss) per share - basic and diluted	\$ 0.02	\$ (0.26)	\$ (0.15)	\$ (0.45)

The accompanying notes are an integral part of these consolidated financial statements.

**VAUGHAN FOODS, INC.**  
**Unaudited Consolidated Statements of Stockholders' Equity**  
**For the Year Ended December 31, 2006 and the Nine Months Ended September 30, 2007**

	Common Stock		Paid in Capital	Member Capital (Deficit)	Retained Earnings (Deficit)	Total Stockholders' Equity (Deficiency)
	Shares issued	Amount				
Balance at January 1, 2006	2,300,000	\$ 2,300	\$ 413,693	\$ (12,839)	\$ 202,784	\$ 605,938
Net (loss)		-	-	(10,082)	(1,194,426)	(1,204,508)
Balance at December 31, 2006	2,300,000	2,300	413,693	(22,921)	(991,642)	(598,570)
Issuance of common stock in connection with						
initial public offering (unaudited)	2,150,000	2,150	11,025,283		-	11,027,433
Issuance of common stock in connection with						
bridge funding liability (unaudited)	173,077	173	1,124,827		-	1,125,000
Net (loss) (unaudited)		-	-	(10,713)	(451,419)	(462,132)
Balance at September 30, 2007 (unaudited)	4,623,077	\$ 4,623	\$ 12,563,803	\$ (33,634)	\$ (1,443,061)	\$ 11,091,731

The accompanying notes are an integral part of these consolidated financial statements.



**VAUGHAN FOODS, INC.**  
**Unaudited Consolidated Statements of Cash Flows**  
**For the Nine Months Ended September 30, 2007 and 2006**

	Nine Months Ended September 30,	
	2007 (unaudited)	2006 (unaudited)
Cash flows from operating activities:		
Net (loss)	\$ (462,132)	\$ (1,038,241)
Adjustments to reconcile net (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,658,699	1,139,355
Provision for credit losses	-	-
Loss on sale of asset	21,486	-
Deferred income taxes	115,725	(562,280)
Changes in operating assets and liabilities, net of amounts in acquisition of Allison's Gourmet Kitchens:		
Accounts receivable	(898,313)	(628,233)
Accounts receivable - related party	181,042	133,556
Inventories	(25,284)	(30,319)
Prepaid expenses and other assets	7,025	34,566
Disbursements in transit	-	19,673
Accounts payable	(1,333,355)	1,895,617
Accounts payable, related party	(423,830)	-
Accrued liabilities	407,351	(77,094)
Net cash provided by (used by) operating activities	(751,586)	886,600
Cash flows from investing activities:		
Cash paid for property and equipment	(1,510,301)	(3,543,942)
Restricted assets	(418,936)	(320,004)
Proceeds from sale of assets	18,514	49,800
Distributions from restricted assets	-	1,445,567
Cash paid for acquisition of Allison's Gourmet Kitchens, net of cash acquired	(1,277,589)	-
Net cash (used by) investing activities	(3,188,312)	(2,368,579)
Cash flows from financing activities:		
Cash paid for deferred public offering expense	-	(269,115)
Proceeds from initial public offering	11,594,388	-
Proceeds from line of credit	900,000	500,000
Repayments on line of credit	(3,547,582)	(87,716)
Payments of loan origination fees	-	(176,300)
Proceeds from long-term debt	-	90,140
Repayment of long-term debt and capital leases	(539,981)	(442,049)
Increase in amounts payable to former owners of Wild About Food	(6,914)	-
Cash paid to former owners of Wild About Food	(117,998)	-
Repayments on short-term borrowings	(2,000,000)	-

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Proceeds from short-term borrowings	-	2,250,000
Net cash provided by financing activities	6,281,913	1,864,960
Net increase in cash and cash equivalents	2,342,015	382,981
Cash and cash equivalents at beginning of period	868,377	36,163
Cash and cash equivalents at end of period	\$ 3,210,392	\$ 419,144

Supplemental disclosures of cash flow information:

Cash paid during the period for:

Interest paid, net of capitalized interest	\$ 850,863	\$ 790,368
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Supplemental disclosures of noncash financing and investing activities:

Fair value of assets acquired and liabilities assumed in acquisition:

Accounts receivable	\$ 2,054,514	\$ -
Inventories	1,724,940	-
Prepays	25,044	-
Property and equipment	3,354,543	-
Intangible assets	872,569	-
Total assets acquired	8,031,610	-

Accounts payable and accrued expenses	3,770,987	-
Long-term debt and capital leases	1,983,034	-
Total liabilities assumed	\$ 5,754,021	\$ -

Bridge funding liability retired thru issuance of common stock	\$ 1,125,000	\$ -
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Issuance of note payable to former owners of Allison's Gourmet Kitchens, LP in connection with acquisition	\$ 1,000,000	\$ -
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The accompanying notes are an integral part of these consolidated financial statements.

**Vaughan Foods, Inc.**  
**Notes to Unaudited Consolidated Financial Statements**  
September 30, 2007 and 2006

**(1) Nature of Operations**

Vaughan Foods, Inc. (the "Company") is an Oklahoma-based specialty food processor serving customers in a 13 state marketing area centered around its Moore, Oklahoma facility. The Company and its subsidiaries operate from manufacturing facilities in Moore, Oklahoma and Fort Worth, Texas.

**(2) Summary of Significant Accounting Policies**

**(a) Basis of Reporting**

The accompanying consolidated financial statements and notes thereto have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, certain disclosures normally prepared in accordance with accounting principles generally accepted in the United States of America have been omitted. The accompanying consolidated financial statements and notes thereto should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Registration Statement filed on Form S-1 (Amendment No. 10).

This summary of significant accounting policies is presented to assist in understanding the Company's consolidated financial statements. The consolidated financial statements and notes are representations of the Company's management which is responsible for the integrity and objectivity of the consolidated financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the consolidated financial statements.

**(b) Principles of Consolidation**

The consolidated financial statements include the accounts of the Company and of Cimarron Holdings, LLC ("Cimarron"). Cimarron is owned by the two individual stockholders of the Company prior to the initial public offering. Cimarron owns an airplane that is used by Company management. The Company is making the debt service payments on the liability associated with the airplane, as well as all costs of maintenance and operations. Because the Company is the primary beneficiary of Cimarron, it is considered a variable interest entity subject to FIN 46R, and has been consolidated by the Company in its consolidated financial statements. All significant intercompany transactions and balances have been eliminated in consolidation. The airplane is under contract for sale. See Note 20 to the consolidated financial statements.

On June 30, 2007, the Company acquired 100 percent of Allison's Gourmet Kitchens, LP ("Allison's") and its wholly-owned subsidiary, Wild About Food - Oklahoma, a Texas Limited Liability Company ("Wild"). The accompanying consolidated balance sheet as of September 30, 2007 includes the accounts of Allison's and Wild. The accompanying consolidated statements of operations and statements of cash flows include the accounts of Allison's and Wild for the period beginning July 1, 2007. All intercompany balances have been eliminated in consolidation.

**(c) Unaudited Interim Financial Information**

The financial information herein is unaudited; however, such information reflects solely normal recurring adjustments which are, in the opinion of management, necessary for a fair presentation of the results for the interim periods presented. Operating results of the interim period are not necessarily indicative of the amounts that will be reported for the entire year.

**(d) Cash and Cash Equivalents**

For purposes of the consolidated statements of cash flows, the Company considers investments with maturities of three months or less at date of purchase to be cash equivalents.

**(e) Accounts Receivable and Credit Policies**

Trade accounts receivable are customer obligations due under normal trade terms generally requiring

payment within 15 to 21 days from the invoice date. Receivables are recorded based on the amounts invoiced to customers. Interest and delinquency fees are not generally assessed and, if they are assessed, are not included in income or trade accounts receivable until realized in cash. Discounts allowed for early payment, if any, are charged against income when the payment is received. Payments of accounts receivable are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

The carrying amount of accounts receivable is reduced by an allowance for credit losses that reflects management's estimate of the amounts that will not be collected. Management provides for probable uncollectible amounts through a charge to earnings and a credit to the allowance for credit losses based on historical collection trends and an assessment of the creditworthiness of current customers. The adequacy of the valuation allowance is evaluated periodically through an individual assessment of potential losses on customer accounts giving particular emphasis to accounts with invoices unpaid more than 60 days past the due date. Balances still outstanding after management has used reasonable collection efforts are charged off to the valuation allowance. Recoveries on accounts previously charged off are credited to the valuation allowance.

A lien exists on certain receivables related to fresh produce under the Perishable Agricultural Commodities Act of 1930, which partially subordinates the lien placed by the line of credit.

**(f) Inventories**

Inventories consist principally of food products and are stated at the lower of average cost (which approximates first-in, first-out) or market. Costs included in inventories consist of materials, packaging supplies, and labor. General and administrative costs are not charged to inventories.

**(g) Property and Equipment**

Property and equipment are recorded at cost. Equipment classified as capital leases are recorded at the present value of the future minimum lease payments, and amortized on a straight-line basis over the shorter of the lease term or the estimated useful life of the asset. Expenditures for major additions and improvements are capitalized, while minor replacements, maintenance and repairs are charged to expense as incurred. When property and equipment are retired or otherwise disposed of, the cost of the asset and related accumulated depreciation are removed from the accounts and any resulting gain or loss is included in other income and expense.

Depreciation, including assets classified as capital leases, are provided using the straight-line method over the following estimated useful lives:

Plant and improvements	15 - 40 years
Machinery and equipment	5 - 15 years
Transportation equipment	3 - 10 years
Office equipment	5 - 7 years

**(h) Concentrations of Credit Risk**

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

**(i) Revenue Recognition**

The Company recognizes revenue, net of related sales discounts and allowances, when persuasive evidence of an arrangement exists (such as a customer purchase order), delivery has occurred, our price to the customer has been fixed or is determinable, and collectibility is reasonably assured. Revenues also include

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those amounts related to shipping and handling. Shipping and handling expenses are also included in cost of sales. Consideration from the Company to a customer is presumed to be a reduction to the selling price of the Company's products and accordingly, is characterized as a reduction of sales when recognized in the Company's consolidated statements of operations. As a result, certain promotional expenses are recorded as a reduction of net sales, at the time in which the sale is recognized.

**(j) Accounting for Rebates**

The Company establishes liabilities for rebates to customers based on specific programs, expected usage and historical experience.

**(k) Income Taxes**

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

**(l) Earnings (Loss) Per Share**

<p>Basic earnings (loss) per share (EPS) excludes dilution and is calculated by dividing net income (loss) available to common stockholders by the weighted-average number of shares of common stock outstanding during the period. Diluted EPS is computed in a manner similar to that of basic EPS except that the weighted-average number of shares is computed as if all dilutive potential shares were outstanding at the end of the period.</p>	<p>Sole voting power</p>
<p>7</p>	<p>None</p>
<p>8 Shared voting power</p>	<p>None</p>
<p>9 Sole dispositive power</p>	<p>None</p>
<p>10 Shared dispositive power</p>	<p>None</p>
<p>11 Aggregate amount beneficially owned by each reporting person</p>	<p>None</p>
<p>12 Check box if the aggregate amount in row (11) excludes certain shares (SEE INSTRUCTIONS)</p>	<p>X</p>
<p>13 Percent of class represented by amount in row (11)</p>	<p>0.00%</p>

14 Type of reporting person (SEE INSTRUCTIONS)  
HC, CO

7

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CUSIP No. 584404107

1 Names of reporting persons  
 I.R.S. identification nos. of above persons (entities only)  
 GAMCO Investors, Inc. I.D.  
 No. 13-4007862

2 Check the appropriate box if a member of a group (SEE INSTRUCTIONS) (a)

(b)

3 Sec use only

4 Source of funds (SEE INSTRUCTIONS)  
 None

5 Check box if disclosure of legal proceedings is required pursuant to items 2 (d) or 2 (e)

6 Citizenship or place of organization  
 New York

Number Of	: 7	Sole voting power
	:	
Shares	:	None
	:	
Beneficially	: 8	Shared voting power
	:	
Owned	:	None
	:	
By Each	: 9	Sole dispositive power
	:	
Reporting	:	None
	:	
Person	:10	Shared dispositive power
	:	
With	:	None
	:	

11 Aggregate amount beneficially owned by each reporting person  
 None

12 Check box if the aggregate amount in row (11) excludes certain shares  
 (SEE INSTRUCTIONS) X

13 Percent of class represented by amount in row (11)  
 0.00%

14 Type of reporting person (SEE INSTRUCTIONS)  
HC, CO

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CUSIP No. 584404107

- 1 Names of reporting persons  
I.R.S. identification nos. of above persons (entities only)  
Mario J. Gabelli
- 2 Check the appropriate box if a member of a group (SEE INSTRUCTIONS) (a)
- (b)
- 3 Sec use only
- 4 Source of funds (SEE INSTRUCTIONS)  
None
- 5 Check box if disclosure of legal proceedings is required pursuant to items 2 (d) or 2 (e)

6 Citizenship or place of organization  
USA

Number Of	: 7	Sole voting power
	:	
Shares	:	None
	:	
Beneficially	: 8	Shared voting power
	:	
Owned	:	None
	:	
By Each	: 9	Sole dispositive power
	:	
Reporting	:	None
	:	
Person	: 10	Shared dispositive power
	:	
With	:	None
	:	

- 11 Aggregate amount beneficially owned by each reporting person  
None
- 12 Check box if the aggregate amount in row (11) excludes certain shares  
(SEE INSTRUCTIONS) X
- 13 Percent of class represented by amount in row (11)  
0.00%
- 14 Type of reporting person (SEE INSTRUCTIONS)  
IN



Item 1. Security and Issuer

This Amendment No. 76 to Schedule 13D on the Class A Common Stock of Media General, Inc. (the “Issuer”) is being filed on behalf of the undersigned to amend the Schedule 13D, as amended (the “Schedule 13D”) which was originally filed on February 29, 1989. Unless otherwise indicated, all capitalized terms used herein but not defined herein shall have the same meanings as set forth in the Schedule 13D.

Item 2. Identity and Background

Item 2 to Schedule 13D is amended, in pertinent part, as follows:

This statement is being filed by Mario J. Gabelli (“Mario Gabelli”) and various entities which he directly or indirectly controls or for which he acts as chief investment officer. These entities engage in various aspects of the securities business, primarily as investment adviser to various institutional and individual clients, including registered investment companies and pension plans, and as general partner of various private investment partnerships. Certain of these entities may also make investments for their own accounts.

The foregoing persons in the aggregate often own beneficially more than 5% of a class of a particular issuer. Although several of the foregoing persons are treated as institutional investors for purposes of reporting their beneficial ownership on the short-form Schedule 13G, the holdings of those who do not qualify as institutional investors may exceed the 1% threshold presented for filing on Schedule 13G or implementation of their investment philosophy may from time to time require action which could be viewed as not completely passive. In order to avoid any question as to whether their beneficial ownership is being reported on the proper form and in order to provide greater investment flexibility and administrative uniformity, these persons have decided to file their beneficial ownership reports on the more detailed Schedule 13D form rather than on the short-form Schedule 13G and thereby to provide more expansive disclosure than may be necessary.

(a), (b) and (c) - This statement is being filed by one or more of the following persons: GGCP, Inc. (“GGCP”), GAMCO Investors, Inc. (“GBL”), Gabelli Funds, LLC (“Gabelli Funds”), GAMCO Asset Management Inc. (“GAMCO”), Teton Advisors, Inc. (“Teton Advisors”), Gabelli Securities, Inc. (“GSI”), Gabelli & Company, Inc. (“Gabelli & Company”), MJG Associates, Inc. (“MJG Associates”), Gabelli Foundation, Inc. (“Foundation”), MJG-IV Limited Partnership (“MJG-IV”), and Mario Gabelli. Those of the foregoing persons signing this Schedule 13D are hereafter referred to as the “Reporting Persons”.

GGCP makes investments for its own account and is the controlling shareholder of GBL. GBL, a public company listed on the New York Stock Exchange, is the parent company for a variety of companies engaged in the securities business, including those named below.

GAMCO, a wholly-owned subsidiary of GBL, is an investment adviser registered under the Investment Advisers Act of 1940, as amended (“Advisers Act”). GAMCO is an investment manager providing discretionary managed account services for employee benefit plans, private investors, endowments, foundations and others.

GSI, a majority-owned subsidiary of GBL, is an investment adviser registered under the Advisers Act and serves as a general partner or investment manager to limited partnerships and offshore investment companies. As a part of its business, GSI may purchase or sell securities for its own account. It is the immediate parent of Gabelli & Company.

GSI is the general partner or investment manager of a number of funds or partnerships, including Gabelli Associates Fund, Gabelli Associates Fund II, Gabelli Associates Limited, ALCE Partners, L.P., and Gabelli Multimedia Partners, L.P. GSI and Marc Gabelli own 45% and 55%, respectively, of Gabelli Securities International Limited (“GSIL”).

GSIL provides investment advisory services to offshore funds and accounts. GSIL is an investment advisor of Gabelli International Gold Fund Limited, Gabelli European Partners, Ltd., and Gabelli Global Partners, Ltd.

Gabelli & Company, a wholly-owned subsidiary of GSI, is a broker-dealer registered under the Securities Exchange Act of 1934, as amended (“1934 Act”), which as a part of its business regularly purchases and sells securities for its own account.

Gabelli Funds, a wholly owned subsidiary of GBL, is a limited liability company. Gabelli Funds is an investment adviser registered under the Advisers Act which presently provides discretionary managed account services for The Gabelli Equity Trust Inc., The Gabelli Asset Fund, The GAMCO Growth Fund, The Gabelli Convertible and Income Securities Fund Inc., The Gabelli Value Fund Inc., The Gabelli Small Cap Growth Fund, The Gabelli Equity Income

Fund, The Gabelli ABC Fund, The GAMCO Global Telecommunications Fund, GAMCO Gold Fund, Inc., The Gabelli Global Multimedia Trust Inc., The GAMCO Global Convertible Securities Fund, Gabelli Capital Asset Fund, GAMCO International Growth Fund, Inc., The GAMCO Global Growth Fund, The Gabelli Utility Trust, The GAMCO Global Opportunity Fund, The Gabelli Utilities Fund, The Gabelli Blue Chip Value Fund, The GAMCO Mathers Fund, The Gabelli Woodland Small Cap Value Fund, The Comstock Capital Value Fund, The Gabelli Dividend and Income Trust, The Gabelli Global Utility & Income Trust, The Gabelli Global Gold, Natural Resources, & Income Trust, The Gabelli Global Deal Fund, Gabelli Enterprise M&A Fund, The Gabelli SRI Green Fund, Inc. and The Gabelli Healthcare & Wellness Rx Trust (collectively, the “Funds”), which are registered investment companies.

Teton Advisors, an investment adviser registered under the Advisers Act, provides discretionary advisory services to The GAMCO Westwood Mighty Mitessm Fund, The GAMCO Westwood Income Fund and The GAMCO Westwood SmallCap Equity Fund.

MJG Associates provides advisory services to private investment partnerships and offshore funds. Mario Gabelli is the sole shareholder, director and employee of MJG Associates. MJG Associates is the Investment Manager of Gabelli International Limited, Gabelli International II Limited and Gabelli Fund, LDC. Mario J. Gabelli is the general partner of Gabelli Performance Partnership, LP.

The Foundation is a private foundation. Mario Gabelli is the Chairman, a Trustee and the Investment Manager of the Foundation. Elisa M. Wilson is the President of the Foundation.

Mario Gabelli is the majority stockholder, Chief Executive Officer and a director of GGCP and Chairman and Chief Executive Officer of GBL. Mario Gabelli is also deemed to be the controlling shareholder of Teton through his control of GGCP and MJG-IV.

The Reporting Persons do not admit that they constitute a group.

GBL, GAMCO, and Gabelli & Company are New York corporations and GSI and Teton Advisors are Delaware corporations, each having its principal business office at One Corporate Center, Rye, New York 10580. GGCP is a New York corporation having its principal business office at 140 Greenwich Avenue, Greenwich, CT 06830. Gabelli Funds is a New York limited liability company having its principal business office at One Corporate Center, Rye, New York 10580. MJG Associates is a Connecticut corporation having its principal business office at 140 Greenwich Avenue, Greenwich, CT 06830. The Foundation is a Nevada corporation having its principal offices at 165 West Liberty Street, Reno, Nevada 89501.

For information required by instruction C to Schedule 13D with respect to the executive officers and directors of the foregoing entities and other related persons (collectively, “Covered Persons”), reference is made to Schedule I annexed hereto and incorporated herein by reference.

(e) - On April 24, 2008, Gabelli Funds settled an administrative proceeding with the Securities and Exchange Commission (“Commission”) regarding frequent trading in shares of a mutual fund it advises, without admitting or denying the findings or allegations of the Commission. The inquiry involved Gabelli Funds’ treatment of one investor who had engaged in frequent trading in one fund (the prospectus of which did not at that time impose limits on frequent trading), and who had subsequently made an investment in a hedge fund managed by an affiliate of Gabelli Funds. The investor was banned from the fund in August 2002, only after certain other investors were banned. The principal terms of the settlement include an administrative cease and desist order from violating Section 206(2) of the Investment Advisers Act of 1940, Section 17(d) of the Investment Company Act of 1940 (“Company Act”), and Rule 17d-1 thereunder, and Section 12(d)(1)(B)(1) of the Company Act, and the payment of \$11 million in disgorgement and prejudgment interest and \$5 million in a civil monetary penalty. Gabelli Funds was also required to retain an independent distribution consultant to develop a plan and oversee distribution to shareholders of the monies paid to the Commission, and to make certain other undertakings.

In September 2008, Gabelli Funds reached agreement in principle with the staff of the Commission, subject to Commission approval, on a previously disclosed matter that had been ongoing for several years involving compliance with Section 19(a) of the Investment Company Act of 1940 and Rule 19a-1 thereunder by two closed-end funds. The agreement was finalized with the Commission on January 12, 2009. The provisions of Section 19(a) and Rule 19a-1 require registered investment companies, when making a distribution in the nature of a dividend from sources other than net investment income, to contemporaneously provide written statements to shareholders that adequately disclose the source or sources of such distribution. While the two funds sent annual statements and

provided other materials containing this information, the shareholders did not receive the notices required by Rule 19a-1 with any of the distributions that were made for 2002 and 2003. Gabelli Funds believes that the funds have been in compliance with Section 19(a) and Rule 19a-1 since the beginning of 2004. As part of the settlement, in which Gabelli Funds neither admits nor denies the findings by the Commission, Gabelli Funds agreed to pay a civil monetary penalty of \$450,000 and to cease and desist from causing violations of Section 19(a) and Rule 19a-1. In connection with the settlement, the Commission noted the remedial actions previously undertaken by Gabelli Funds.

(f) - Reference is made to Schedule I hereto.

Item 5. Interest In Securities Of The Issuer

Item 5 to Schedule 13D is amended, in pertinent part, as follows:

(a) The aggregate number of Securities to which this Schedule 13D relates is 6,652,149 shares, representing 29.91% of the 22,241,447 shares outstanding. This latter number is arrived at by adding the number of shares reported as being outstanding in the Issuer's most recently filed Form 10-Q for the quarterly period ended June 28, 2009 (22,241,067) to the number of shares which would be receivable by MJG Associates if it were to actually convert all of the Issuer's Class B shares held by it (380 shares) into the Class A Common Stock of the Issuer. The Reporting Persons beneficially own those Securities as follows:

Name	Shares of Common Stock	% of Class of Common	Shares of Common Stock, Converted	% of Class Converted
Gabelli Funds	1,914,000	8.61%	1,914,000	8.61%
GAMCO	4,395,769	19.76%	4,395,769	19.76%
MJG Associates	0	0.00%	380	0.00%
GSI	2,000	0.01%	2,000	0.01%
Teton Advisors	340,000	1.53%	340,000	1.53%

Mario Gabelli is deemed to have beneficial ownership of the Securities owned beneficially by each of the foregoing persons. GSI is deemed to have beneficial ownership of the Securities beneficially owned by Gabelli & Company. GBL and GGCP are deemed to have beneficial ownership of the Securities owned beneficially by each of the foregoing persons other than Mario Gabelli and the Foundation.

(b) Each of the Reporting Persons and Covered Persons has the sole power to vote or direct the vote and sole power to dispose or to direct the disposition of the Securities reported for it, either for its own benefit or for the benefit of its investment clients or its partners, as the case may be, except that (i) GAMCO does not have the authority to vote 214,300 of the reported shares, (ii) with respect to the 610,000 shares of Common Stock owned by the Gabelli Small Cap Growth Fund, the 32,000 shares held by the Gabelli Capital Asset Fund, the 222,000 shares held by the Gabelli Equity Trust, the 415,000 shares held by the Gabelli Asset Fund, and the 635,000 shares held by the Gabelli Value Fund, the proxy voting committee of each such Fund has taken and exercises in its sole discretion the entire voting power with respect to the shares held by such Funds, (iii) at any time, the Proxy Voting Committee of each such Fund may take and exercise in its sole discretion the entire voting power with respect to the shares held by such fund under special circumstances such as regulatory considerations, and (iv) the power of Mario Gabelli, GBL, and GGCP is indirect with respect to Securities beneficially owned directly by other Reporting Persons.

(c) Information with respect to all transactions in the Securities which were effected during the past sixty days or since the most recent filing on Schedule 13D, whichever is less, by each of the Reporting Persons and Covered Persons is set forth on Schedule II annexed hereto and incorporated herein by reference.

(e) Not applicable.





Signature

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

Dated: September 8, 2009

GGCP, INC.  
MARIO J. GABELLI  
MJG ASSOCIATES, INC.

By:/s/ Douglas R. Jamieson  
Douglas R. Jamieson  
Attorney-in-Fact

GABELLI FUNDS, LLC  
TETON ADVISORS, INC.

By:/s/ Douglas R. Jamieson  
Douglas R. Jamieson  
President & Chief Operating Officer of the sole member of  
Gabelli Funds, LLC.

Director – Teton Advisors, Inc.

GAMCO ASSET MANAGEMENT INC.  
GAMCO INVESTORS, INC.  
GABELLI SECURITIES, INC.

By:/s/ Douglas R. Jamieson  
Douglas R. Jamieson  
President & Chief Operating Officer – GAMCO Investors, Inc.  
President – GAMCO Asset Management Inc.  
President – Gabelli Securities, Inc.

Schedule I

Information with Respect to Executive  
Officers and Directors of the Undersigned

Schedule I to Schedule 13D is amended, in pertinent part, as follows:

The following sets forth as to each of the executive officers and directors of the undersigned: his name; his business address; his present principal occupation or employment and the name, principal business and address of any corporation or other organization in which such employment is conducted. Unless otherwise specified, the principal employer of each such individual is GAMCO Asset Management Inc., Gabelli Funds, LLC, Gabelli Securities, Inc., Gabelli & Company, Inc., Teton Advisors, Inc., or GAMCO Investors, Inc., the business address of each of which is One Corporate Center, Rye, New York 10580, and each such individual identified below is a citizen of the United States. To the knowledge of the undersigned, during the last five years, no such person has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors), and no such person was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which he was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities law or finding any violation with respect to such laws except as reported in Item 2(d) of this Schedule 13D.

GGCP, Inc.

Directors:

Vincent J. Amabile

Business Consultant

Mario J. Gabelli

Chief Executive Officer of GGCP, Inc., and Chairman & Chief Executive Officer of GAMCO Investors, Inc.; Director/Trustee of all registered investment companies advised by Gabelli Funds, LLC.

Marc J. Gabelli

Chairman of The LGL Group, Inc.

Matthew R. Gabelli

Vice President – Trading  
Gabelli & Company, Inc.  
One Corporate Center  
Rye, New York 10580

Charles C. Baum

Secretary & Treasurer  
United Holdings Co., Inc.  
2545 Wilkens Avenue  
Baltimore, MD 21223

Douglas R. Jamieson

See below

Joseph R. Rindler, Jr.

Account Executive for GAMCO Asset Management Inc.

Fredric V. Salerno

Chairman; Former Vice Chairman and Chief Financial Officer  
Verizon Communications

Vincent Capurso

Vice President Taxes, Barnes & Noble, Inc.

Vincent S. Tese

Former Director GAMCO Investors, Inc.

Michael Gabelli

Director

John Gabelli

Director

Officers:

Mario J. Gabelli

Chief Executive Officer and Chief Investment Officer

Michael G. Chieco

Chief Financial Officer, Secretary

Silvio A. Berni

Vice President, Assistant Secretary

GAMCO Investors, Inc.  
Directors:

Edwin L. Artzt	Former Chairman and Chief Executive Officer Procter & Gamble Company 900 Adams Crossing Cincinnati, OH 45202
Raymond C. Avansino	Chairman & Chief Executive Officer E.L. Wiegand Foundation Reno, NV 89501
Richard L. Bready	Chairman and Chief Executive Officer Nortek, Inc. 50 Kennedy Plaza Providence, RI 02903
Mario J. Gabelli	See above
Elisa M. Wilson	Director
Eugene R. McGrath	Former Chairman and Chief Executive Officer Consolidated Edison, Inc.
Robert S. Prather	President & Chief Operating Officer Gray Television, Inc. 4370 Peachtree Road, NE Atlanta, GA 30319
Officers:	
Mario J. Gabelli	Chairman and Chief Executive Officer
Douglas R. Jamieson	President and Chief Operating Officer
Henry G. Van der Eb	Senior Vice President
Bruce N. Alpert	Senior Vice President
Agnes Mullady	Senior Vice President
Jeffrey M. Farber	Executive Vice President and Chief Financial Officer
Christopher Michailoff	Acting Secretary

GAMCO Asset Management Inc.  
Directors:

Douglas R. Jamieson  
Regina M. Pitaro

William S. Selby

Officers:

Mario J. Gabelli Chief Investment Officer – Value Portfolios

Douglas R. Jamieson President

Jeffrey M. Farber Chief Financial Officer

Christopher J. Michailoff General Counsel and Secretary

Gabelli Funds, LLC  
Officers:

Mario J. Gabelli Chief Investment Officer – Value Portfolios

Bruce N. Alpert Executive Vice President and Chief Operating Officer

Agnes Mullady Vice President and President Closed-End Fund Division

Teton Advisors, Inc.  
Directors:

Bruce N. Alpert Chairman

Douglas R. Jamieson See above

Nicholas F. Galluccio Chief Executive Officer and President

Alfred W. Fiore 1270 Avenue of the Americas  
20th Floor  
New York, NY 10020

Edward T. Tokar Beacon Trust  
Senior Managing Director  
333 Main Street  
Madison, NJ 07940

Howard F. Ward Portfolio Manager  
GAMCO Investors, Inc.  
One Corporate Center  
Rye, NY 10580

Officers:

Bruce N. Alpert	See above
Nicholas F. Galluccio	See above
Jeffrey M. Farber	Chief Financial Officer

Gabelli Securities, Inc.

Directors:

Robert W. Blake	President of W. R. Blake & Sons, Inc. 196-20 Northern Boulevard Flushing, NY 11358
Douglas G. DeVivo	General Partner of ALCE Partners, L.P. One First Street, Suite 16 Los Altos, CA 94022
Douglas R. Jamieson	President

Officers:

Douglas R. Jamieson	See above
Christopher J. Michailoff	Secretary
Jeffrey M. Farber	Chief Financial Officer

Gabelli & Company, Inc.

Directors:

James G. Webster, III	Chairman & Interim President
Irene Smolicz	Senior Trader Gabelli & Company, Inc.

Officers:

James G. Webster, III	See Above
Bruce N. Alpert	Vice President - Mutual Funds
Diane M. LaPointe	Treasurer
Douglas R. Jamieson	Secretary

Gabelli Foundation, Inc.

Officers:

Mario J. Gabelli	Chairman, Trustee & Chief Investment Officer
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Elisa M. Wilson	President
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MJG-IV Limited Partnership

Officers:

Mario J. Gabelli	General Partner
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SCHEDULE II  
 INFORMATION WITH RESPECT TO  
 TRANSACTIONS EFFECTED DURING THE PAST SIXTY DAYS OR  
 SINCE THE MOST RECENT FILING ON SCHEDULE 13D (1)

DATE	SHARES PURCHASED SOLD(-)	AVERAGE PRICE(2)
COMMON STOCK-MEDIA GENERAL INC.		
GAMCO ASSET MANAGEMENT INC.		
9/04/09	20,000-	7.8194
9/03/09	4,300-	7.6883
9/02/09	2,000	7.8900
9/02/09	5,000-	7.7952
9/01/09	2,500-	7.8722
8/31/09	2,500-	8.0632
8/28/09	7,000-	8.2890
8/27/09	400-	8.3218
8/26/09	400-	8.3025
8/25/09	2,000-	8.2900
8/25/09	400-	8.2602
8/25/09	25,000-	8.4512
8/25/09	2,000-	8.4015
8/24/09	15,000-	7.8984
8/24/09	2,000-	7.8645
8/24/09	5,000-	8.0057
8/21/09	9,000-	7.7895
8/21/09	8,000-	7.7761
8/20/09	8,000-	7.6143
8/20/09	13,300-	7.6060
8/18/09	3,000-	7.2074
8/18/09	1,000-	7.2270
8/17/09	2,500-	6.9500
8/14/09	2,000-	6.9999
8/14/09	17,000-	7.0387
8/14/09	1,000	6.9800
8/12/09	2,000-	6.9030
8/12/09	5,000-	7.2772
8/11/09	1,000-	7.1990
8/07/09	200-	7.1160
8/07/09	100-	7.1180
8/07/09	26,650-	6.9266
8/07/09	600-	7.2005
8/07/09	300-	7.2633
8/06/09	2,300-	5.2309
8/03/09	4,000-	4.7299
8/03/09	3,100	4.7529
7/31/09	400-	*DO



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7/30/09	11,000	4.7343
7/29/09	600-	4.5203
7/29/09	2,500	4.5140
7/29/09	2,000-	4.4875
7/28/09	5,000	4.3674
7/28/09	5,000-	4.4418
7/27/09	1,000-	4.5300
7/27/09	8,500	4.2487
7/24/09	2,000-	4.2515
7/24/09	8,000	3.9065
7/23/09	10,000	3.8135
7/23/09	1,000-	4.2500
7/23/09	6,000	3.8133
7/22/09	1,100-	4.6817
7/22/09	2,500	3.2748
7/22/09	11,900	3.3674
7/22/09	2,000-	4.8445
7/22/09	28,800-	4.9112
7/21/09	14,300	2.2877
7/21/09	2,000-	2.1500
7/20/09	1,500	2.0000
TETON ADVISORS, INC.		
8/25/09	3,000-	8.3833
7/22/09	20,000-	4.6164
GABELLI FUNDS, LLC.		
GABELLI VALUE FUND		
8/31/09	3,071-	*DO
8/31/09	29,283-	*DO
8/31/09	5,480-	*DO
8/31/09	12,165-	*DO
8/26/09	5,000-	8.3706
8/25/09	4,000-	8.2728
8/24/09	3,000-	8.2020
8/21/09	10,000-	7.8351
8/13/09	13,000-	7.0909
8/07/09	20,000-	6.9177
7/24/09	8,000-	4.2501
7/23/09	2,000-	4.2500
GABELLI SMALL CAP GROWTH FUND		
7/31/09	10,000	4.7500
GABELLI EQUITY TRUST		
7/22/09	10,200	4.6260
GABELLI ASSET FUND		
9/03/09	5,000-	7.6724
8/28/09	5,000-	8.2824
8/26/09	5,000-	8.3706
8/24/09	6,000-	8.0655
8/19/09	4,000-	6.9440
GABELLI CAPITAL ASSET FUND		
7/22/09	8,000-	4.6909

(1) UNLESS OTHERWISE INDICATED, ALL TRANSACTIONS WERE EFFECTED ON THE NYSE.

(2) PRICE EXCLUDES COMMISSION.

(\* ) RESULTS IN CHANGE OF DISPOSITIVE POWER AND BENEFICIAL OWNERSHIP.

