Capital expenditures (excluding the Buford and Star acquisitions) for the years ended December 31, 2001, 2000 and 1999 were approximately $65.5 million, $80.3 million and $32.4 million, respectively. This increase was primarily due to cable plant rebuilds and upgrades to expand our digital product offerings.

Our ability to invest in our cable systems is dependent on the availability of capital to fund such investments. We expect to spend approximately $38 million in 2002 on various capital projects. Of this amount, approximately $15 million will be internal costs capitalized in conjunction with capital activities. Other significant components of the 2002 capital expenditure program include $4 million for picture improvement projects, $3 million for two-way data upgrades, $4 million for installation material, and $5 million for converter boxes and satellite dishes used to receive our digital products.

Following our Chapter 11 filing on November 13, 2001, the Nasdaq Stock Market immediately suspended trading in our securities. On December 11, 2001, our securities were delisted from the Nasdaq system. Our Class A stock currently trades on the NASD's OTC Bulletin Board under the symbol "CLSCQ".

In February 2001, Cable borrowed an additional $19.5 million on its revolver.

In September 2000, Cable further amended the senior credit facility. Among other things, the amendment modified the Maximum Total Debt Ratio, the Maximum Senior Debt Ratio and the Total Interest Coverage Ratio covenants as well as the definition of Operating Cash Flow for the period ending December 31, 2000 to allow for the add back of up to $3 million in expenses to the definition of "Operating Cash Flow" for purposes of calculating compliance with such covenants. The amendment also increased the applicable margins associated with the senior credit facility's interest calculations and the quarterly commitment fees. The quarterly commitment fees now range from 0.375% to 0.750% per annum on the unused loan commitment. At the same time, the senior lenders waived restrictions on certain transactions relating to sales of Cable's tower portfolio. The waiver granted to Cable to complete a sale lease back of its tower assets expired as of March 31, 2001. The amendment to the senior credit facility resulted in an extraordinary loss of $8.5 million ($5.5 million, net of taxes).

In February 2000, an indirect subsidiary purchased substantially all of the assets of Star Cable Associates, which operated cable television systems in Texas, Louisiana and Ohio, for an aggregate purchase price of approximately $111 million in cash and 555,555 shares of our Class A common stock.

In February 2000, Cable issued $225 million of 10.5% senior subordinated notes due 2010. The proceeds of the offering were used to fund a portion of the acquisition of Star, repay a portion of indebtedness under Cable's senior credit facility and repurchase approximately $36 million of Cable's 9.875% senior subordinated notes due 2008.

In February 2000, Cable amended and received waivers with respect to its senior credit facility. The amendments and waivers were necessary to complete the acquisition of Star, to restructure the Term A loans under the senior credit facility and to increase the amount available under the senior credit facility by $25 million.

In January 2000, we redeemed all outstanding 13.25% senior discount notes at a redemption price equal to 113.25% of the accreted value of the notes. This resulted in an extraordinary loss of $13.3 million ($9.3 million, net of taxes).

In December 1999, we completed an initial public offering of 7,250,000 shares of our Class A common stock. Some of our stockholders sold an additional 2,237,500 shares. We raised approximately $168.9 million of proceeds in the offering. We used the proceeds from the offering to pay offering expenses, to redeem all of our outstanding 13.25% senior discount notes and to finance part of the Star acquisition.

In July 1999, Cable issued $150 million of 9.375% senior subordinated notes due 2009 concurrently with its entry into the 1999 credit facility totaling $450 million, as amended. These transactions, along with $100 million in proceeds from a sale of our stock to Brera Classic, were utilized to purchase Buford, repay our previous credit agreement and pay the fees and expenses of these transactions.

INTEREST RATE RISK MANAGEMENT

We are exposed to market risk including changes in interest rates. To manage the volatility relating to these exposures, we may enter into derivative transactions pursuant to our policies in areas such as counterparty exposure and hedging practices. Positions are monitored using techniques including market value and sensitivity analyses. We do not hold or issue any derivative financial instruments for trading purposes and are not a party to leveraged instruments. The credit risks associated with our derivative financial instruments are controlled through the evaluation and monitoring of the creditworthiness of the counterparties.

INTEREST RATE RISK

The use of interest rate risk management instruments, such as interest rate exchange agreements ("Swaps"), interest rate cap agreements ("Caps") and interest rate collar agreements ("Collars"), may be required under the terms of certain of our outstanding debt agreements. Our policy is to manage interest costs using a mix of fixed and variable rate debt. Using Swaps, we agree to exchange, at specified intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed-upon notional principal amount. Caps are used to lock in a maximum interest rate should variable rates rise, but enable us to otherwise pay lower market rates. Collars limit our exposure to and benefits from interest rate fluctuations on variable rate debt to within a certain range of rates.

As of December 31, 2001, no such instruments were outstanding.

Virtually any potential loss associated with interest rate risk is attributable to fixed-rate long-term debt instruments. As of December 31, 2001, all fixed-rate long-term debt is subject to compromise.

While Swaps, Caps and Collars may represent an integral part of our interest rate risk management program; their incremental effect on interest expense for the years ended December 31, 2001, 2000 and 1999 was not significant.

INTANGIBLES

We have recorded net intangible assets of $194.2 million, 42% of total assets. These assets arose during the acquisition of cable systems throughout our history. These intangible assets are amortized over their estimated useful lives. We review the valuation and amortization periods of these intangibles on a periodic basis, taking into consideration any events or circumstances that might result in diminished fair value or revised useful life. In September 2001, we recognized an impairment charge on intangibles of $160 million.

RECENT ACCOUNTING PRONOUNCEMENTS

In June 2001, the FASB issued Statements of Financial Accounting Standards No. 141, Business Combinations, and No. 142, Goodwill and Other Intangible Assets ("SFAS 142"), effective for fiscal years beginning after December 15, 2001. Under the new rules, goodwill and intangible assets deemed to have indefinite lives will no longer be amortized but will be subject to annual impairment tests in accordance with SFAS 142. Other intangible assets will continue to be amortized over their useful lives.

We will apply the new rules on accounting for goodwill and other intangible assets beginning in the first quarter of 2002. During the first six months of 2002, we will perform the first of the required impairment tests of goodwill and indefinite lived intangible assets as of January 1, 2002 and have not yet determined what the effect of these tests will be on our earnings and financial position.

In August 2001, the FASB issued Statement of Financial Accounting Standards No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets ("SFAS 144"), which addresses financial accounting and reporting for the impairment or disposal of long-lived assets and supersedes SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of, and the accounting and reporting provisions of APB Opinion No. 30, Reporting the Results of Operations for a Disposal of a Segment of a Business. SFAS 144 is effective for fiscal years beginning after December 15, 2001, with earlier application encouraged. We expect to adopt SFAS 144 as of January 1, 2002 and do not expect that the adoption of the Statement will have a significant impact on our financial position and results of operations.

## INFLATION

We believe our operations are not materially affected by inflation.

## ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See Index to Financial Statements and Supplemental Data on page F-1.

## ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

INFORMATION CONCERNING DIRECTORS

At February 28, 2002, Classic Communications' Board of Directors was composed of six directors, divided into three classes. Each class of directors serves for a staggered three-year term. The number of directors constituting the Board of Directors may be fixed from time to time by resolution adopted by the Board of Directors. The number of directors may not be less than five or more than fifteen. No reduction in the size of the Board of Directors will have the effect of shortening the term of any incumbent director.

At each annual meeting of stockholders, a class of directors will be elected for a three-year term to succeed the directors of the same class whose terms are then expiring. The terms of the Class I directors, Class II directors and Class III directors will expire upon the election and qualification of successor directors at the annual meeting of stockholders held during the calendar years 2003, 2004 and 2002, respectively. There are no family relationships among any of the directors and executive officers.

Information concerning each director of Classic Communications as of February 28, 2002 is set forth below.

James A. Kofalt, 59. Mr. Kofalt was appointed as one of our directors in November 1999, and became Chairman of the Board in January 2001. Mr. Kofalt has held various management positions at Cablevision Systems Corporation, including Chief Operating Officer from 1990 to 1992 and President and Chief Operating Officer from 1992 to 1994. He is a former Chairman of the Boards of Directors of Campuslink Communications Systems, Inc., from 1995 to 1999, and Optel, Inc., from 1995 to 1996. Mr. Kofalt is currently a director of PaeTec Corporation and a member of the Board of Visitors of the Lineberger Comprehensive Cancer Research Center at the University of North Carolina. Mr. Kofalt received his B.S. from the United States Military Academy at West Point.

Alberto Cribiore, 56. Mr. Cribiore is the founder and Managing Principal of Brera Capital Partners, and was appointed Chairman of our Board of Directors upon the closing of the Brera Classic equity investment in July 1999. Mr. Cribiore became the Vice Chairman of our Board in January 2001. Prior to forming Brera in 1997, Mr. Cribiore was Co-President and Partner at Clayton, Dubilier & Rice, Inc., which he joined in 1985. He is currently a Director of Riverwood International Corporation and Brera GAB Robins as well as several privately-held companies and philanthropic organizations.

John Geisler, 47. Mr. Geisler was appointed as one of our directors in November 2000. Prior to joining Brera in June 2000, Mr. Geisler was a Managing Director of Rosecliff, Inc. since May 1995. From March 1990 to May 1995, Mr. Geisler was a Managing Director and Chief Financial Officer of Oak Hill Partners, Inc. (the investment advisor to Acadia Partners, L.P.) and its affiliated entities (including Insurance Partners, L.P. and Penobscot Partners, L.P.). From 1985 to 1990, Mr. Geisler was with Lehman Brothers. From 1984 to 1985, Mr. Geisler was with the Chase Manhattan Bank, N.A. and prior to 1984, Mr. Geisler was a manager with Coopers & Lybrand. Mr. Geisler also serves on the Boards of Western Industries and GAB Robins. Mr. Geisler serves as one of Brera Classic's designees to our Board. Mr. Geisler is a magna cum laude graduate of Adelphi University with a B.B.A. degree. He is also a member of the New York State Society of CPAs and of the American Institute of CPAs.

Carl D. Harnick, 67. Mr. Harnick was appointed as one of our directors in January 2001. Mr. Harnick, a CPA, was a partner of Ernst & Young LLP and its predecessor Arthur Young & Company from 1967 until his retirement on September 30, 1997. Since that time he has served as a director and consultant to various public and private companies. Mr. Harnick holds a B.S. (with honors in Economics) from Brooklyn College and an MBA from Syracuse University where he was elected to Beta Alpha Psi, the accounting honor society.

Martin D. Payson, 66. Until April 2000, Mr. Payson was the Chairman of Latin Communications Group, Inc., a privately-held Spanish language media company. He was appointed as one of our directors upon the closing of the Brera Classic equity investment in July 1999. Previously, Mr. Payson was Vice Chairman of Time Warner Inc. and a member of its Board of Directors. Before the merger of Warner Communications Inc. and Time, Inc., Mr. Payson held the position of Office of the President and General Counsel of Warner Communications. Mr. Payson is a director of Delta Financial Corp. and Panavision Inc., as well as several privately-held companies and philanthropic organizations. Mr. Payson received his A.B. from Cornell University and his LLB cum laude from New York University School of Law.

Lisa A. Hook, 44. Ms. Hook was appointed as one of our directors upon the closing of the Brera Classic equity investment in July 1999. Since April 2000, Ms. Hook has been President of AOL Anywhere, AOL Time Warner Inc. She was a principal of Brera Capital Partners from May 1998 to April 2000. Prior to joining Brera Capital Partners in 1998, Ms. Hook was a Managing Director of Alpine Capital Group, a telecommunications and media venture capital firm. From 1989 to 1996, Ms. Hook served in a number of senior executive level positions at Time Warner Inc., including Executive Vice President/Chief Operating Officer of Time Warner Telecom and Special Advisor to the Vice Chairman. From 1987 to 1989, Ms. Hook served as the Legal Advisor to the Chairman of the Federal Communications Commission. From 1985 to 1987, Ms. Hook served as a senior attorney at Viacom International, responsible for Viacom Cable. Prior to joining Viacom, Ms. Hook was an attorney with the law firm of Hogan & Hartson. Ms. Hook received her BA from Duke University and her JD from the Dickinson School of Law. She is currently a director of Time Warner Telecom, Inc. and the NPR Foundation Board of Trustees.

INFORMATION CONCERNING EXECUTIVE OFFICERS

The name, age and business experience of Classic Communications' executive officers (the "Named Executive Officers") as of February 28, 2002, is set forth below. Each of the Named Executive Officers holds office until his successor is elected and qualified or until his earlier resignation, retirement or removal and each officer serves at the discretion of the board of directors. Information in parentheses indicates the year in which service in the respective position began.

<Caption>

| NAME AND AGE | POSITION |
| --- | --- |
| Dale R. Bennett (55) | President since November 2000 and Chief Operating Officer since April 2000; formerly Vice President of AT&T Broadband and Internet Services/TCI (1989) |
| Todd S. Cruthird (40) | Executive Vice President - Customer Care since July 2000; formerly President and Chief Executive Officer of Bellewood Consulting Group (1996) |
| Ronald G. Jansonius (41) | Executive Vice President - Engineering and Technology since July 2001; formerly Vice President of Advanced Technology and Advanced Technology Manager |
| Daniel J. Pike (50) | Chief Technology Officer since November 2000; formerly Senior Vice President of Science and Technology of Prime Cable (1982) |
| Jimmie F. Taylor (48) | Chief Financial Officer since March 2001; formerly Chief Financial Officer of the e-commerce subsidiary of Brookshire Grocery Company (2000); Vice President, Chief Financial Officer and Treasurer of TCA Cable TV, Inc. (1986) |

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING

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 and to furnish us with copies of those forms. Based on our review of the copies of the ownership forms received by us and information reported by the SEC, we believe the following reports were not filed in accordance with Section 16(a): (1) Form 3 for Jimmie Taylor, and (2) Forms 4 or 5 reporting options granted to Mr. Taylor, Mr. Kofalt, Mr. Harnick, Mr. Payson and Ms. Hook.

ITEM 11. EXECUTIVE COMPENSATION

COMPENSATION TABLES AND STOCK PLANS

The following tables profile our compensation for the Chief Executive Officer and our four other most highly compensated executive officers whose total compensation exceeded $100,000 in the years indicated, including salaries and bonuses paid during the last three years and 2001 option grants and exercises. The form of the tables is set by SEC regulations.

SUMMARY EXECUTIVE COMPENSATION TABLE

The following table contains information about compensation paid, and certain awards made, by Classic Communications to the Named Executive Officers for the three-year period ended December 31, 2001.

<Caption>

| | ANNUAL COMPENSATION | | | | LONG-TERM COMPENSATION | | |
|---|---|---|---|---|---|---|---|
| NAME AND PRINCIPAL POSITION | YEAR | SALARY($) | BONUS ($) | OTHER ANNUAL COMPENSATION | RESTRICTED STOCK AWARDS($) | SECURITIES UNDERLYING OPTIONS(#) | ALL OTHER COMPENSATION($) |
| Dale R. Bennett(1) | 2001 | $ 300,000 | $405,125 | (5) | $ -- | -- | $ 459,574(2) |
| President and Chief Operating Officer | 2000 | $ 201,923 | $ -- | (5) | $ 772,000(6) | 550,000 | $ 23,706(4) |
| S. Todd Cruthird(7) | 2001 | $ 175,000 | $ 25,000 | (5) | $ -- | -- | $ 84,559(4) |
| Executive Vice President of Customer Care | 2000 | $ 80,096 | $ 20,000 | (5) | $ -- | 100,000 | $ 7,015(4) |
| Ronald G. Jansonius | 2001 | $ 139,231 | $ 15,000 | (5) | $ -- | -- | $ 3,959(3) |
| Executive Vice President | 2000 | $ 88,000 | $ -- | (5) | $ -- | 25,000 | $ 2,054(3) |
| of Engineering and Technology | 1999 | $ 64,231 | $ 20,000 | (5) | $ -- | 20,000 | $ 2,002(3) |
| Elizabeth K. Monigold(8) | 2001 | $ 130,962 | $ 48,293 | $ 29,246(9) | $ -- | -- | $ 5,250(3) |
| Executive Vice President | 2000 | $ 120,000 | $ 25,000 | (5) | $ -- | 25,000 | $ 4,507(3) |
| of Administration | 1999 | $ 47,215 | $ -- | (5) | $ -- | 75,000 | $ 1,647(3) |
| Daniel J. Pike (10) | 2001 | $ 150,000 | $ -- | (5) | $ -- | -- | $ -- |
| Chief Technology Officer | 2000 | $ 20,192 | $ -- | (5) | $ -- | 25,000 | $ -- |
| Jimmie F. Taylor (11) Chief Financial Officer | 2001 | $ 103,846 | $ 33,750 | (5) | $ -- | 75,000 | $ 976(3) |

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(1) Mr. Bennett joined us on April 24, 2000.

(2) Consists of our contribution under our 401(k) plan, taxable moving expenses, and forgiveness of a loan and related interest of $443,000 (see Note 13 to the Consolidated Financial Statements for further discussion).

(3) Represents our contribution under our 401(k) plan.

(4) Represents taxable moving expenses.

(5) Such executive officer did not receive personal benefits during the listed years in excess of the lesser of $50,000 or 10% of his or her total cash compensation.

(6) As of December 31, 2001, Mr. Bennett owned 64,000 restricted shares of our common stock. The total value of all restricted stock owned by Mr. Bennett was approximately $64, computed without taking into consideration any of the restrictions. These shares vest 25% on each of the first four anniversaries immediately following the grant date. Mr. Bennett is entitled to dividends in respect of these shares in the same manner as the holders of common stock.

(7) Mr. Cruthird joined us on July 11, 2000.

(8) Ms. Monigold joined us on July 23, 1999 and resigned her position effective November 16, 2001.

(9) Consists of car allowances and life insurance benefits.

(10) Mr. Pike joined us on November 6, 2000.

(11) Mr. Taylor joined us on March 19, 2001.

STOCK OPTIONS GRANTED TABLE

The following table shows stock option grants to the named executive officers in 2001. The value of stock options depends upon a long-term increase in the market price of the common stock: if the stock price does not increase, the options will be worthless; if the stock price does increase, the increase will benefit all stockholders. No stock appreciation rights (SARs) were granted to any of the Named Executive Officers during 2001.

<Caption>

| | INDIVIDUAL GRANTS | | | | POTENTIAL REALIZABLE VALUE AT ASSUMED ANNUAL RATES OF STOCK PRICE APPRECIATION FOR OPTION TERM(1) | |
|---|---|---|---|---|---|---|
| NAME | NUMBER OF SECURITIES UNDERLYING OPTIONS GRANTED (#) | PERCENT OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN FISCAL YEAR | EXERCISE PRICE($) | EXPIRATION DATE | 5% | 10% |
| Jimmie F. Taylor ..... | 75,000 | 27% | $0.71 | 6/21/2011 | 33,494 | 84,881 |

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(1) The 5% and 10% rates of appreciation are specified by the rules of the SEC and do not represent our estimates or projections of our future stock prices.

YEAR-END OPTION VALUES

The following table shows the number of securities underlying unexercised options held by our named executive officers at the end of our most recent fiscal year. Each of the options listed below had no value as the exercise prices of such options exceeded the market price of our stock as of December 31, 2001. No options were exercised during the year ended December 31, 2001 and none of the named executive officers held stock appreciation rights (SARs) at December 31, 2001.

<Caption>

| | NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT FISCAL YEAR-END (#) | |
|---|---|---|
| NAME | EXERCISABLE | UNEXERCISABLE |
| Dale R. Bennett........... | 137,500 | 412,500 |
| Todd S. Cruthird.......... | 25,000 | 75,000 |
| Ronald G. Jansonius....... | 16,250 | 28,750 |
| Daniel J. Pike............ | 6,250 | 18,750 |
| Jimmie F. Taylor.......... | -- | 75,000 |

EMPLOYMENT AND COMPENSATION ARRANGEMENTS

The agreements described below may be considered executory contracts in the context of the Chapter 11 cases and may or may not be accepted in connection with the reorganization proceedings.

EMPLOYMENT AGREEMENTS

In April 2000, we entered into an employment agreement with Dale Bennett. Pursuant to the employment agreement, Mr. Bennett is entitled to $300,000 annually in salary. Additionally, Mr. Bennett was granted 64,000 shares of restricted Class A common stock, as well as two stock options. The first option entitles Mr. Bennett to purchase 200,000 shares of our Class A common stock at an exercise price of $16.00 per share, and the second option entitles Mr. Bennett to purchase 100,000 shares of our Class A common stock at an exercise price of $25.00.

In addition, in September 2000 and November 2000, we entered into employment agreements with Todd Cruthird, our Executive Vice President - Customer Care and Daniel Pike, our Chief Technology Officer, respectively. Pursuant to the employment agreements, Mr. Cruthird is to be paid an annual salary of $175,000 and Mr. Pike is to be paid an annual salary of $150,000. In May 2001, we entered into an employment agreement with Jimmie Taylor, our Chief Financial Officer. The employment agreement provides for an annual salary of $135,000. In addition Mr. Taylor's agreement provided for a $33,750 signing bonus.

Each of the employment agreements described above prohibits the employee from competing with us during the term of employment and for a period of two years thereafter. These employment agreements are each for one year terms and automatically extend for additional one year terms until written notice of termination is given. We can terminate the agreement at any time, with or without good cause and the executive can terminate the agreement by providing us with 15-30 days notice. If we terminate an employment agreement without good cause, we will be obligated to pay the executive, on a monthly basis, the salary and benefits the executive would have been entitled to for one year following termination. In general, good cause for termination includes conviction of a criminal offense, a breach of the executive's duty of loyalty or certain provisions of the employment agreement, the willful failure to substantially perform the executive's duties, or fraud, misappropriation or embezzlement by the executive. The agreements also contain two-year non-competition, non-solicitation and non-disparagement provisions.

CONSULTING AGREEMENT

In December 2000, in connection with the resignation of J. Merritt Belisle, our former Chief Executive Officer, we entered into a consulting agreement with Mr. Belisle. The agreement provides for twenty-four monthly payments of $29,167, as well as six monthly consulting payments of $8,333. We had the option of extending the services of Mr. Belisle through December 31, 2001, which we declined to exercise. The agreement prohibits Mr. Belisle from competing with us for two years.

SEPARATION AGREEMENT

On November 6, 2001, we entered into a separation agreement with Elizabeth Kay Monigold, our former Executive Vice President of Administration in connection with Ms. Monigold's employment agreement. In consideration of the termination of the employment agreement, we agreed to continue to pay Ms. Monigold her base salary for a period of one year and continue her health and certain other benefits for that period. As part of the termination agreement, Ms. Monigold released the company for any claims she may have had against the company. The termination agreement also provided that any non-competition provisions of her employment agreement would terminate.

AMENDED AND RESTATED KEY EMPLOYEE RETENTION PLAN

Effective December 12, 2001, Cable adopted, with Court approval, the Amended and Restated Classic Cable, Inc. Key Employee Retention Plan. The purpose of this plan is to encourage eligible employees of Cable to continue their employment during the company's restructuring. The plan provides for retention bonuses to be paid to key employees identified by the plan administrator at June 30, 2002 or when a "trigger event" occurs. A "trigger event" is defined as (1) the sale of substantially all of Cable's assets, (2) a reorganization or merger of Cable or other change of control, (3) the confirmation of a plan of reorganization, or (4) a restructuring (including payment) of substantially all of Cable's long term debt. The amount of any retention bonus is set forth in the notice to the employee participants. In the event a participant's employment is terminated because of death or disability or without cause prior to June 30, 2002 or the occurrence of a trigger event, the participant will be entitled to payment of the full amount of the retention bonus. If the participant voluntarily terminates his or her employment, the participant will not be eligible to receive a retention bonus.

STOCK OPTION GRANTS

In 2001, we granted stock options to purchase 280,000 shares of our Class A voting common stock at various exercise prices ranging from $0.71 to $3.00 per share. The options were granted at various times throughout 2001 to Messrs. Kofalt, Harnick, Payson and Ms. Hook, directors, and to Mr. Taylor and several of our other key employees. These options, which have 10-year terms, vest in 25% increments over each of the first four anniversaries of the grants.

DIRECTORS' COMPENSATION

Our directors who are not executive officers or Brera designees will each be paid $15,000 as compensation for their service as members of our Board of Directors for the year 2002 as well as $1,000 for attendance at each meeting. Each of Mr. Harnick, Ms. Hook, Mr. Kofalt and Mr. Payson were granted stock options to purchase 5,000 shares of our Class A voting common stock at an exercise price of $3.00 per share for service as members of our Board of Directors for 2001. Mr. Harnick was also granted in 2001 a stock option to purchase 10,000 shares of our Class A voting common stock at an exercise price of $3.00 per share. In January 2001, Mr. Kofalt agreed to become the Chairman of our Board of Directors. Mr. Kofalt will be paid $125,000 per year as compensation for such position. Each of the director option grants have a 10-year term and vest in 25% increments on each of the first four anniversaries of the grant.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Historically, all compensation decisions relating to our executive officers have been made by our Board of Directors as a whole. Dale Bennett, our President and Chief Operating Officer, has participated in deliberations of the Board of Directors with respect to compensation of all executive officers. In the future, our compensation committee will, with management's input, make all compensation decisions regarding our executive officers. No interlocking relationship exists between the compensation committee and the Board of Directors or compensation committee of any other company, and no such relationship existed in the past.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

MAJOR STOCKHOLDERS AND STOCK OWNERSHIP OF MANAGEMENT

The following table shows the beneficial ownership of our Class A voting common stock and our Class B voting common stock held by (1) our current directors, (2) our executive officers, (3) all of our current directors and officers as a group and (4) holders known to us of at least 5% of any class of our common stock as of February 28, 2002.

<Caption>

| BENEFICIAL OWNERS(1) | CLASS A VOTING COMMON STOCK | CLASS B VOTING COMMON STOCK | PERCENT OF VOTE AS A SINGLE CLASS (2) |
|---|---|---|---|
| Brera Classic.............................. | -- | 6,490,734 | 79.4% |
| Dimensional Fund Advisors, Inc.(3).......... | 701,200 | -- | |
| Star Cable Associates, Richard W. Talarico, and Hawthorne Associates(4)................. | 555,555 | -- | * |
| Dale R. Bennett............................ | 271,500(5) | -- | * |
| Todd S. Cruthird........................... | 25,000 | -- | * |
| Daniel J. Pike............................. | 6,250 | -- | * |
| Ronald G. Jansonius........................ | 16,250 | -- | * |
| Jimmie F. Taylor........................... | -- | -- | -- |
| Alberto Cribiore(6)........................ | -- | 6,490,734 | 79.4 |
| John Geisler(7)............................ | -- | 6,490,734 | 79.4 |
| Carl D. Harnick............................ | 3,750(8) | -- | * |
| Lisa A. Hook............................... | 1,250(9) | -- | * |
| James A. Kofalt............................ | 31,000(10) | -- | * |
| Martin D. Payson........................... | 15,500(11) | -- | * |
| All directors and executive officers as a group (11 persons)........................ | 370,500 | 6,490,734 | 79.8% |

* Less than 1%

(1) The address for Brera Classic, Alberto Cribiore and John Geisler is 712 Fifth Avenue, 34th Floor, New York, New York 10019. The address for Dale R. Bennett, Todd S. Cruthird, Daniel J. Pike, Ronald G. Jansonius, Jimmie F. Taylor, Carl D. Harnick, Lisa A. Hook, James A. Kofalt and Martin D. Payson is c/o Classic Cable, Inc., 6151 Paluxy Rd., Tyler, Texas 75703. Unless otherwise indicated below, the persons and entities named in the table above have sole voting and sole investment power with respect to all shares beneficially owned, subject to community property laws, where applicable.

(2) Each share of Class A voting common stock entitles its holder to one vote and each share of Class B voting common stock entitles its holder to ten votes. Holders of both classes of voting common stock will vote together as a single class on all matters to be presented for a vote of stockholders, unless otherwise required by law. Excludes nonvoting common stock.

(3) As reported by Dimensional Fund Advisors, Inc. in its schedule 13G filed with the SEC on February 12, 2002. The address for Dimensional Fund Advisors, Inc. is 1299 Ocean Avenue, 11th Floor, Santa Monica, California 90401.

(4) As reported by Star Cable Associates ("Star"), Richard W. Talarico ("Talarico"), and Hawthorne Associates ("Hawthorne") in their Schedule 13G jointly filed with the SEC on February 12, 2001. The address for Star, Talarico, and Hawthorne is 500 Greentree Commons, 381 Mansfield

Avenue, Pittsburgh, Pennsylvania 15220.

(5) Includes a grant to Mr. Bennett of 64,000 shares of restricted stock, made on April 24, 2000. These shares vest in 25% increments over each of the first four anniversaries of the grant. At December 31, 2001, 16,000 of these shares were vested. Mr. Bennett's total also includes 137,500 shares of Class A voting common stock purchasable within 60 days of February 28, 2002.

(6) Mr. Cribiore is a director of Classic and a manager of Brera Classic. Mr. Cribiore is not the registered holder of any shares and disclaims the beneficial ownership of the shares listed above except to the extent of his indirect interest in the assets of the nominal stockholder, if any.

(7) Mr. Geisler is a director of Classic and a manager of Brera Classic. Mr. Geisler is not the registered holder of any shares and disclaims the beneficial ownership of the shares listed above except to the extent of his indirect interest in the assets of the nominal stockholder, if any.

(8) Mr. Harnick's totals include 3,750 shares of Class A voting common stock purchasable within 60 days of February 28, 2002.

(9) Ms. Hook's totals include 1,250 shares of Class A voting common stock purchasable within 60 days of February 28, 2002.

(10) Mr. Kofalt's totals include 31,000 shares of Class A voting common stock purchasable within 60 days of February 28, 2002.

(11) Mr. Payson's totals include 5,500 shares of Class A voting common stock purchasable within 60 days of February 28, 2002.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

MANAGEMENT AND ADVISORY FEE AGREEMENT

As part of the Brera Classic equity investment, we and Brera Classic entered into an agreement pursuant to which Brera Classic was paid a transaction fee of $3 million upon closing of the Brera Classic equity investment in consideration for arranging the equity investment. The agreement further provided that we would pay Brera Classic an annual fee of $250,000 in consideration for transactional assistance and advice provided to us until we completed an initial public offering, payment of which was made at the closing of the Buford acquisition. Brera Classic was paid a transaction fee of $1.3 million upon the closing of our acquisition of Star Cable Associates, which occurred on February 16, 1999, in consideration for transactional advisory services.

EMPLOYEE LOAN/STOCK PURCHASE PROGRAM

In August 2000, the compensation committee approved the Employee Loan / Stock Purchase Program. Pursuant to the program, certain employees of Classic are permitted to borrow up to an amount equal to their prior years' total cash compensation to be used to purchase Classic common stock. Such loans are for seven years, and bear interest at a rate equal to the rate in effect for our credit facility plus 1.75%. The plan also provides for increased interest rates based on the incurrence of certain events, such as the sale of the underlying stock or the termination of the employee. Mr. Bennett borrowed $400,000 under the Plan in August 2000, which was to be due in August 2007. In June 2001, we forgave the loan. The amount forgiven was $443,000, including accrued interest. Other costs incurred related to the forgiveness totaled $325,000. Currently, there are no outstanding obligations under the loan program and due to the Chapter 11 cases, the company does not intend to continue this program.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) (1) Financial Statements
See Index to the Financial Statements at page F-1.

(2) Financial Statement Schedules
The following financial statement schedules required to be filed by Items 8 and 14(d) of Form 10-K are included in Part IV:

Schedule I - Condensed Financial Information of Registrant Unconsolidated (Parent Only)

All other schedules are omitted because they are not applicable, not required or the required information is included in the consolidated financial statements or notes thereto.

(3) Exhibits required to be filed by Item 601 of Regulation S-K:

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| 2.1 | -- | Securities Purchase Agreement between Classic Cable, Inc. and Buford Group, Inc. dated as of May 11, 1999 (incorporated by reference to Exhibit 2.1 of the Company's Registratio Statement on Form S-4 (Registration No. 333-63641)). |
| 2.2 | -- | Asset Purchase Agreement, dated as of October 14, 1999, by and between Star Cable Associa and Universal Cable Holdings, Inc., and Amendment No. 1 thereto, dated February 16, 2000 (incorporated by reference to Exhibit 2 of the Company's Current Report on Form 8-K file February 29, 2000, Commission File No. 1-15427). |
| 3.1 | -- | Amended and Restated Certificate of Incorporation of Classic Communications, Inc., dated as of December 9, 1999. (incorporated by reference to Exhibit 3.1 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1999, Commission File No. 1-15427). |
| 3.2 | -- | Amended and Restated Bylaws of Classic Communications, Inc. (incorporated by reference to Exhibit 3.2 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1999, Commission File No. 1-15427). |
| 4.1 | -- | Form of certificate evidencing shares of Class A voting common stock (incorporated by reference to Exhibit 4.1 of the Company's Registration Statement on Form S-1/A, Registration No. 333-89295). |
| 4.2 | -- | Purchase Agreement, dated July 21, 1999, by and among Classic Cable, Inc. and Goldman, Sachs & Co., Donaldson, Lufkin & Jenrette Securities Corporation and Merrill Lynch, Pierce, Fenner & Smith Incorporated (incorporated by reference to Exhibit 10.16 of the Company's Registration Statement on Form S-4, Registration No. 333-63641). |

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| 4.3 | -- | Exchange and Registration Rights Agreement, dated July 28, 1999, by and between Classic Cable, Inc. and Goldman, Sachs & Co., Donaldson, Lufkin & Jenrette Securities Corporatio Merrill Lynch, Pierce, Fenner & Smith Incorporated (incorporated by reference to Exhibit of the Company's Registration Statement on Form S-4, Registration No. 333-63641). |
| 4.4 | -- | Indenture for $150,000,000 9.375% Senior Subordinated Notes due 2009, dated as of July 2 1999 between Classic Cable, Inc., as Issuer, the Guarantors listed on Schedule 1 thereto, Chase Bank of Texas, National Association, as Trustee (incorporated by reference to Exhibit 10.18 of the Company's Registration Statement on Form S-4, Registration No. 333- |
| 4.5 | -- | Indenture for $225,000,000 10 1/2% Senior Subordinated Notes due 2010, dated as of February 16, 2000, among Classic Cable, Inc., as Issuer, and the Subsidiary Guarantors listed on Schedule 1 thereto, and Chase Bank of Texas, National Association, as Trustee (incorporated by reference to Exhibit 4.9 to Classic Cable, Inc.'s S-4 dated April 14, 2 Registration No. 333-34850). |
| 4.6 | -- | Form of Global 9.375% Senior Subordinated Note due 2009 (incorporated by reference to Exhibit 10.19 of the Company's Registration Statement on Form S-4, Registration No. 333-63641). |
| 4.7 | -- | Form of Global 10 1/2% Senior Subordinated Note due 2010 (incorporated by reference to Exhibit 4.10 to Classic Cable, Inc.'s S-4 dated April 14, 2000, Registration No. 333-34850). |
| 4.8 | -- | Registration Rights Agreement dated as of July 29, 1998, by and between Classic Communications, Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated (incorporated by reference to Exhibit 4.3A of the Company's Registration Statement on Form S-4, Registration No. 333-63641). |
| 4.9 | -- | Shareholder and Registration Rights Agreement, dated as of July 29, 1998, by and among Classic Communications, Inc. and Certain Stockholders and Merrill Lynch, Pierce, Fenner & Smith Incorporated (incorporated by reference to Exhibit 4.3B of the Company's Registration Statement on Form S-4, Registration No. 333-63641). |
| 4.10 | -- | First Supplemental Indenture, dated as of July 28, 1999, between Classic Cable, Inc., as Issuer, the Subsidiary Guarantors named thereon, as Guarantors, and Chase Bank of Texas, National Association, as Trustee (incorporated by reference to Exhibit 4.4 of the Company's Registration Statement on Form S-4, Registration No. 333-63641). |
| 4.11 | -- | Amended and Restated Stockholders' Agreement, dated as of December 13, 1999, by and amon Classic Communications, Inc., Brera Classic, LLC and the additional parties named therei (incorporated by reference to Exhibit 4.11 of the Company's Annual Report on Form 10-K f fiscal year ended December 31, 1999, Commission File No. 1-15427). |