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

FORM 8-K

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

JULY 27, 2001
(Date of Report)

KOSS CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE
(State or other
jurisdiction of
incorporation)

0-3295
(Commission File
Number)

39-1168275
(IRS Employer
ID Number)

4129 NORTH PORT WASHINGTON AVENUE
MILWAUKEE, WISCONSIN 53212

(Address of principal executive offices)

(414) 964-5000
(Registrant's telephone number, including area code)

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This report includes "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts included in this report are forward-looking statements. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified based on current expectations. Consequently, future events and actual results could differ materially from those set forth in, contemplated by, or underlying the forward-looking statements contained in this report, other filings, press releases or otherwise.

Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Important factors that could cause actual results to differ materially from such expectations ("Cautionary Factors") include, without limitation, unanticipated developments in any one or more of the following areas: the profitability of the Company, capital requirements, operational costs, business opportunities, tax considerations, general economic conditions, consumer demand for the Company's and its customers' products, competitive and technological developments, foreign currency fluctuations, restrictions in any then-existing credit agreements, and other risks factors which may be detailed from time to time in the Company's Securities and Exchange Commission filings. All subsequent written or oral forward-looking statements attributable to the Company or persons acting on behalf of the Company are expressly qualified in their entirety by the Cautionary Factors. Shareholders, potential investors and other readers are urged to consider these Cautionary Factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements.

ITEM 5. OTHER EVENTS

PRESS RELEASE. On July 25, 2001, Koss Corporation issued a Press Release announcing its intention to begin paying quarterly dividends with the quarter ending September 30, 2001. The First Quarterly Dividend will be \$0.25 per share payable to shareholders of record on September 30, 2001. Quarterly dividend payments will be made on the fifteenth day following the end of each calendar quarter. A copy of said Press Release is attached hereto as Exhibit 99.1 and is incorporated herein by this reference.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits:

99.1 Press release announcing beginning of quarterly dividend payments.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

KOSS CORPORATION
(Registrant)

By: /s/ Michael J. Koss

Michael J. Koss
President, Chief Executive Officer
and Chief Financial Officer

Date: July 27, 2001

KOSS CORPORATION
EXHIBIT INDEX
TO
CURRENT REPORT ON FORM 8-K

EXHIBIT NUMBER -----	DESCRIPTION -----	INCORPORATED HEREIN BY REFERENCE -----	FILED HERewith -----
99.1	Press release announcing beginning of quarterly dividend payments.		X

Exhibit 99.1

KOSS
NEWS RELEASE
Koss Corporation
4129 N. Port Washington Ave.
Milwaukee, Wisconsin 53212

CONTACT: Michael J. Koss
President and CEO
414-964-5000
email: mjkoss@koss.com

*****FOR IMMEDIATE RELEASE*****

July 25, 2001

KOSS TO PAY DIVIDEND AND INCREASE STOCK BUYBACK PROGRAM

MILWAUKEE, WISCONSIN: Koss Corporation (NASDAQ SYMBOL:KOSS), the U.S. based leader in high-fidelity stereophones, has announced that it would begin to pay a quarterly cash dividend to its shareholders. The news follows an announcement by the Company last week that it had recorded record sales of its stereophone product line, record net income and record earnings per share of \$2.55 for its fiscal year ending June 30, 2001. The quarterly dividend will be \$0.25 per share payable on October 15, 2001 to shareholders of record on September 30, 2001.

"This is the first time we have paid a dividend to shareholders since 1983," Michael J. Koss, President and CEO, said here today. "We anticipate the ability to continue paying a quarterly dividend in future years but caution investors not to expect any annual increase in the current rates in the foreseeable future."

Koss went on to explain that capital deployment on new products, new product lines, the repurchase of undervalued shares of its stock, and potential long term acquisitions, are all factors which will impact the Company's decision as to whether to continue to pay quarterly dividends and the amount of future dividend payments. Koss further noted that although the Company has expressed its intention to continue to pay cash dividends for future quarters, there can be no assurance that the Company will continue to pay dividends. The future payment of dividends, and the amount of such dividends if any are paid, is within the sole and exclusive discretion of the Board of Directors. Future payment of any dividends by the Company will depend upon numerous factors, including the profitability of the Company, capital requirements, operational costs, business opportunities, tax considerations, general economic conditions, consumer demand for the Company's and its customers' products, competitive and technological developments, foreign currency fluctuations, restrictions in any then-existing credit agreements, and other factors that the Board of Directors may deem relevant.

The Company has also announced that its Board of Directors has approved the use of an additional three million dollars to repurchase undervalued shares of the company stock.

Koss Corporation markets a complete line of high-fidelity stereophones, speaker-phones, computer headsets, telecommunications headsets, active noise canceling stereophones, wireless stereophones, and compact disc recordings of American Symphony Orchestras on the Koss Classics label.

This press release contains statements as to the Company's intention to pay quarterly cash dividends in the future. These statements constitute "Forward-looking statements" which are subject to many uncertainties in the Company's operations and business environment. Some of these uncertainties are identified above in this release. Shareholders, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements made herein are only made as of the date of this press release and the company undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances. In addition, such

uncertainties and other operational matters are discussed further in the Company's quarterly and annual filings with the Securities and Exchange Commission.

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