

**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 EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): **May 23, 2011 (May 19, 2011)**

**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  
Identification No.)

**4129 North Port Washington Avenue, Milwaukee, Wisconsin 53212**  
(Address of principal executive offices) (Zip code)

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

**Not Applicable**  
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 8.01 Other Events.**

On May 20, 2011, Koss Corporation ("Koss") issued a press release announcing that on May 19, 2011 Koss (as a nominal defendant), along with plaintiffs James Mentkowski and Myriam Ruiz ("Plaintiffs") and defendants Michael J. Koss, John C. Koss, John J. Stollenwerk, Thomas L. Doerr, Theodore H. Nixon and Lawrence S. Mattson (the "Koss Director Defendants") in the Shareholder Derivative action pending in the Circuit Court of Milwaukee County, Wisconsin, submitted a Joint Report advising the Court that they have reached an agreement in principle for the settlement of the claims asserted against the individual Koss Director Defendants.

The Joint Report stated that, among other things, the agreement in principle contemplates, subject to the Court's approval: (i) the dismissal with prejudice of the claims asserted by Plaintiffs, derivatively, on behalf of Koss, against the individual Koss Director Defendants, and (ii) a dismissal without prejudice as to claims asserted in the Shareholder Derivative action against defendants Grant Thornton LLP and Sujata Sachdeva, in deference to a pending action against Grant Thornton LLP and Sujata Sachdeva brought by Koss in Chicago, Illinois. The Joint Report further stated that Plaintiffs and the Koss Director Defendants are preparing formal settlement documentation and will be submitting such documentation to the Court for approval shortly.

Copies of the press release and the Joint Report are being furnished as Exhibits 99.1 and 99.2, respectively, to this Form 8-K and are incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

<u>Number</u>	<u>Description</u>
Exhibit 99.1	Press Release of Koss Corporation dated May 20, 2011.
Exhibit 99.2	Joint Report Concerning Settlement dated May 19, 2011.

**SIGNATURES**

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

Dated: May 23, 2011

KOSS CORPORATION

By: /s/ Michael J. Koss

Michael J. Koss

Chief Executive Officer and President



NEWS RELEASE

4129 NORTH PORT WASHINGTON AVENUE, MILWAUKEE, WI 53212 / 414 964-5000 / WWW.KOSS.COM

FOR IMMEDIATE RELEASE

CONTACT: Michael J. Koss

May 20, 2011

President & CEO  
 (414) 964-5000  
 mjboss@koss.com

### KOSS ADVISES COURT OF SETTLEMENT IN PRINCIPLE OF SHAREHOLDER DERIVATIVE CASE

**Milwaukee, Wisconsin:** Koss Corporation (NASDAQ SYMBOL: KOSS), the U.S. based high-fidelity stereophone company, along with the Plaintiffs and the individual Koss Director Defendants in the Shareholder Derivative action pending in the Circuit Court of Milwaukee County, Wisconsin, submitted a Joint Report advising the Court that these parties have reached an agreement in principle for the settlement of the claims asserted against the individual Koss Director Defendants.

Among other things, the agreement in principle contemplates, subject to the Court's approval: (i) the dismissal with prejudice of the claims asserted by Plaintiffs, derivatively, on behalf of Koss Corporation, against the individual Koss Director Defendants, and (ii) a dismissal without prejudice as to claims asserted in the Shareholder Derivative action against Defendants Grant Thornton LLP and Sujata Sachdeva, in deference to a pending action against Grant Thornton LLP and Sujata Sachdeva brought by Koss Corporation in Chicago, Illinois.

The Joint Report further stated that Plaintiffs and the individual Koss Director Defendants are preparing formal settlement documentation and will be submitting such documentation to the Court for approval shortly.

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 forward-looking statements. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "forecasts," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," or "continue" or the negative of such terms and other comparable terminology. These statements are only predictions. Actual events or results

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may differ materially. In evaluating forward-looking statements, you should specifically consider various factors that may cause actual results to vary from those contained in the forward-looking statements, such as general economic conditions, in particular, consumer demand for the Company's and its customers' products, competitive and technological developments, foreign currency fluctuations, and costs of operations. 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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IN RE KOSS CORPORATION  
SHAREHOLDER DERIVATIVE  
LITIGATION

Lead Case No.: 10-CV-002422

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**JOINT REPORT CONCERNING SETTLEMENT**

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Plaintiffs James Mentkowski and Myriam Ruiz (“Plaintiffs”), Nominal Defendant Koss Corporation (“Koss”), and Defendants Michael J. Koss, John C. Koss, John J. Stollenwerk, Thomas L. Doerr, Theodore H. Nixon, and Lawrence S. Mattson (the “Director Defendants”), respectfully submit this Joint Report to advise the Court of the status of efforts to settle the claims alleged against the Director Defendants in this action.

Plaintiffs and representatives of Koss and the Director Defendants have been engaged in settlement negotiations for several months. Those negotiations culminated in an April 26, 2011 mediation before Howard B. Wiener (Justice of the California Court of Appeal, Retired) in San Diego, California. Plaintiffs and the Director Defendants are pleased to report that as a result of their arms-length negotiations, and with the assistance of Justice Wiener, they have reached an agreement in principle for the settlement of the claims asserted in this action against the Director Defendants.

Among other things, the agreement in principle contemplates, subject to this Court’s approval: (i) the dismissal with prejudice of the claims asserted by Plaintiffs (derivatively, on behalf of Koss Corporation) against the Director Defendants, and (ii) a dismissal without prejudice as to claims asserted in this action against Defendants Grant Thornton LLP and Sujata Sachdeva, in deference to a pending action against Grant Thornton LLP and Sujata Sachdeva brought by Koss Corporation in Chicago, Illinois.

Plaintiffs and the Director Defendants are preparing formal settlement documentation and will submit such documentation to the Court shortly.

DATED: 5/19/11

HALE & WAGNER, S.C.  
K. SCOTT WAGNER (SBN 1004668)

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DATED: 5-19-11

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DATED: 5-19-11

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DATED: May 19, 2011

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