
**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): **January 11, 2010**

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))
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Item 8.01 Other Events.

On January 11, 2010, Koss Corporation issued a press release announcing preliminary and unaudited estimates of the total amounts of unauthorized transactions identified from fiscal year 2005 to the present by its former Vice President of Finance and Secretary, Sujata Sachdeva. A copy of the press release is being furnished as Exhibit 99.1 to this Form 8-K and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit 99.1 Press Release dated January 11, 2010, announcing preliminary and unaudited estimates of unauthorized transactions

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: January 11, 2010

KOSS CORPORATION

By: /s/ Michael J. Koss
Michael J. Koss
Chief Executive Officer,

INDEX TO EXHIBITS

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release dated January 11, 2010, announcing preliminary and unaudited estimates of unauthorized transactions



NEWS RELEASE

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

FOR IMMEDIATE RELEASE
January 11, 2010

CONTACT: Michael J. Koss
President & CEO
(414) 964-5000
mjkoss@koss.com

Koss Corporation Releases Preliminary Data on Investigation

Milwaukee, Wisconsin: Koss Corporation (NASDAQ SYMBOL: KOSS), the U.S. based high-fidelity stereophone leader, announced preliminary and unaudited estimates of the unauthorized transactions by its former Vice President of Finance and Secretary, Sujata Sachdeva. Ms. Sachdeva's employment was terminated in December 2009.

The Company's internal investigation is being conducted by an independent committee of the Board of Directors with the assistance of the committee's independent counsel and forensic accountants and is continuing. Although the investigation indicates that some unauthorized transactions occurred prior to fiscal year 2005, Koss's investigation is focused on the fiscal years including and since June 30, 2005 and on the current year. The preliminary and unaudited estimates of the total amounts of unauthorized transactions identified from fiscal year 2005 to the present are as follows:

FY 2005:	\$2,195,477
FY 2006:	\$2,227,669
FY 2007:	\$3,160,310
FY 2008:	\$5,040,968
FY 2009:	\$8,485,937
Q1 FY 2010:	\$5,326,305
Q2 FY 2010:	\$4,917,005

The company previously reported pre-tax income for fiscal years 2007 and through Q1 2010 (September 30, 2009) as follows:

FY 2007:	\$8,344,715
FY 2008:	\$7,410,569
FY 2009:	\$2,887,730
Q1 2010:	\$928,491

Koss anticipates restating its financial statements, at least, for fiscal years 2008 and 2009, and the first quarter of fiscal year 2010 ending September 30, 2009. The investigation has not yet confirmed the extent to which the unauthorized transactions were charged to the Company's income statements for the applicable periods. To the extent that additional amounts are charged to the income statements to reflect the unauthorized transactions, the Company will apply the effective tax rates for the applicable periods and seek tax refunds for excess amounts previously paid. The Company also expects to recover significant amounts through the recovery and sale of merchandise that was purchased as part of the unauthorized transactions, the recovery of other assets, insurance proceeds, and potential claims against

third parties. The Company is informed that at least 22,000 items — including high-end women's clothing, shoes, handbags, and jewelry — have been seized by law enforcement authorities.

Koss Corporation markets a complete line of high-fidelity stereophone, 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 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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