

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):
February 18, 2004 (February 13, 2004)

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)

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

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Item 7. Financial Statements and Exhibits.

(c) Exhibits

- 99.1 Press Release dated February 13, 2004, announcing a change in the Company's treasury stock treatment of repurchased employee shares in the Company's financial statements for the fiscal years ended June 30, 2001, 2002 and 2003 (*furnished and not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and not deemed incorporated by reference in any filing under the Securities Act of 1934, as amended*).

Items 9 & 12. Regulation FD Disclosure and Results of Operations and Financial Condition.

On February 13, 2004, Koss Corporation issued a press release announcing a change in the Company's treasury stock treatment of repurchased employee shares in the Company's financial statements for the fiscal years ended June 30, 2001, 2002 and 2003. A copy of the press release is being furnished as Exhibit 99.1 to this Form 8-K.

The information in this report is being furnished pursuant to Item 12 Results of Operations and Financial Condition. In accordance with General Instruction B.6 of Form 8-K, the information in this report shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1934, as amended.

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: February 18, 2004

KOSS CORPORATION

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

INDEX TO EXHIBITS

Exhibit Number	Description
99.1	Press Release dated February 13, 2004, announcing a change in the Company's treasury stock treatment of repurchased employee shares in the Company's financial statements for the fiscal years ended June 30, 2001, 2002 and 2003 (<i>furnished and not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and not deemed incorporated by reference in any filing under the Securities Act of 1934, as amended</i>).

FOR IMMEDIATE RELEASE
February 13, 2004

CONTACT: MICHAEL J. KOSS
(414) 964-5000

**Koss Corporation Changes Treasury Stock Treatment
of Repurchased Employee Shares
in Financial Statements**

Milwaukee, Wisconsin: Koss Corporation (NASDAQ SYMBOL: KOSS) today announced that it is changing its treatment for repurchases of some stock issued to employees on the exercise of employee stock options to comply with FIN 44: Accounting for Certain Transactions Involving Stock Compensation an interpretation of APB Opinion No. 25 ("FIN 44"). The Company had previously accounted for these transactions as an acquisition of treasury stock, whereas under FIN 44, the Company will treat the expenditures to acquire stock purchased directly from employees who had held the stock for less than six months as a compensation expense.

The Company determined to change reported financial results for the period from June 2001 until June 2003 when, in consultation with its independent auditors, the Company concluded that some previously reported transactions should be accounted for as employee compensation expense rather than as treasury stock transactions. The change has no effect on cash and has the following effects on the Company's previously announced financial results:

- A cumulative increase in the Company's paid in capital of \$1,997,913 at June 30, 2003.
- A cumulative reduction in the Company's retained earnings of \$1,310,226 at June 30, 2003.
- A reduction in the Company's tax liability of \$687,687 at June 30, 2003.
- Reductions in reported diluted earnings per share for the fiscal year ended June 30, 2001 from \$1.28 to \$1.16, for the fiscal year ended June 30, 2002, from \$1.28 to \$1.17, and for the fiscal year ended June 30, 2003 from \$1.18 to \$1.08, to reflect booking the acquisition of the repurchased shares as employee compensation expense.

The change is a noncash adjustment of the prior periods activities and all transactions involved in the change have been previously disclosed in the Company's public filings, including, most specifically, Note 1 to the Company's financial statements under the heading "Stock-Based Compensation" contained in the Company's most recently filed Form 10-K. The revised financial statements reflecting the foregoing will be included in a Form 10-K/A to be filed with the Securities and Exchange Commission and available at www.sec.gov.

The change does not affect the current fiscal year's operations, or the net income reported during the first two quarters of the current fiscal year ending June 30, 2004. The change will be reflected on the Company's balance sheet as a decrease in taxes payable of \$687,687 and an increase in stockholders' investment of \$687,687.

The Company's Board of Directors has approved the use of up to \$2.5 million for the repurchase of shares of Company stock in open market transactions. The stock repurchases may or may not be made by the Company under the safe harbor conditions of Rule 10b-18, but will otherwise comply with all applicable rules and regulations and will be dependent upon market conditions and the availability of common stock. The Company will not repurchase directly from employees any shares of Company stock that have not been held for a period greater than six months.

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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 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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