SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the quarterly period ended December 31, 2001

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 0-3295

KOSS CORPORATION

(Exact Name of Registrant as Specified in its Charter)

A DELAWARE CORPORATION	39-1168275
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

4129 North Port Washington Avenue, Milwaukee, Wisconsin	53212
(Address of principal executive office)	(Zip Code)

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

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES X NO ___

At December 31, 2001, there were 3,648,054 shares outstanding of the Registrant's common stock, $0.005 par value per share.

KOSS CORPORATION AND SUBSIDIARIES
FORM 10-Q
December 31, 2001

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KOSS CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	December 31, 2001	June 30, 2001
ASSETS		
Current Assets:		
Cash	$ 142,627	$ 181,678
Accounts receivable	8,043,592	8,247,045
Inventories	8,344,323	8,496,010
Income taxes receivable	158,025	480,322
Other current assets	1,053,336	934,934
Total current assets	17,741,903	18,339,989
Property and Equipment, net	1,749,980	1,690,628
Other Assets	1,465,711	1,465,711
	$ 20,957,594	$ 21,496,328
LIABILITIES AND STOCKHOLDERS' INVESTMENT		
Current Liabilities:		
Accounts payable	$ 1,657,685	$ 2,062,476
Accrued liabilities	1,340,750	1,551,679
Dividends payable	437,766	--
Total current liabilities	3,436,201	3,614,155
Long-Term Debt	2,879,500	--
Deferred Compensation	1,072,930	1,015,390
Other Liabilities	437,354	437,354
Contingently Redeemable Equity Interest	1,490,000	1,490,000
Stockholders' Investment	11,641,609	14,939,429
	$ 20,957,594	$ 21,496,328

See accompanying notes.

KOSS CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Three Months		Six Months	
Period Ended December 31	2001	2000	2001	2000
Net sales	$ 9,751,397	$ 10,348,476	$ 18,702,808	$ 20,228,114
Cost of goods sold	5,851,550	6,270,334	11,351,070	12,197,725
Gross profit	3,899,847	4,078,142	7,351,738	8,030,389
Selling, general and administrative expense	2,237,934	2,238,820	4,163,898	4,288,607
Income from operations	1,661,913	1,839,322	3,187,840	3,741,782
Other income (expense)				
Royalty income	265,833	379,804	433,547	673,692
Interest income	14,989	13,495	22,270	58,882
Interest expense	(49,254)	(3,381)	(60,218)	(11,197)
Income before income tax provision	1,893,481	2,229,240	3,583,439	4,463,159
Provision for income taxes	739,281	854,289	1,398,365	1,704,217
Net income	$ 1,154,200	$ 1,374,951	$ 2,185,074	$ 2,758,942
Earnings per common share:				
Basic	$ 0.31	$ 0.32	$ 0.58	$ 0.63
Diluted	$ 0.30	$ 0.31	$ 0.55	$ 0.60
Dividends per common share	$ 0.12	None	$ 0.37	None

See accompanying notes.

KOSS CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

Six Months Ended December 31	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 2,185,074	$ 2,758,942
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	309,570	361,208
Deferred compensation	57,540	57,540
Net changes in operating assets and Liabilities	(56,685)	(516,598)
Net cash provided by operating Activities	2,495,499	2,661,092
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of equipment and leasehold improvements	(368,922)	(480,758)
Net cash used in investing activities	(368,922)	(480,758)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments under line of credit agreements	(2,813,000)	--
Borrowings under line of credit agreements	5,692,500	--
Dividends paid	(462,891)	--
Purchase of common stock for treasury	(3,850,112)	--
Purchase and retirement of common stock	(844,325)	(5,046,913)
Exercise of stock options	112,200	129,313
Net cash used in financing Activities	(2,165,628)	(4,917,600)
Net (decrease) in cash	(39,051)	(2,737,266)
Cash at beginning of period	181,678	3,164,401
Cash at end of period	$ 142,627	$ 427,135

The Company paid $437,766 in dividends to stockholders in January 2002 which is not included in cash flows from financing activities for the quarter ended December 31, 2001.

See accompanying notes.

KOSS CORPORATION AND SUBSIDIARIES
December 31, 2001
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The financial statements presented herein are based on interim amounts. In the opinion of management, all adjustments (consisting only of normal recurring accruals) necessary to present fairly the financial position, results of operations and cash flows at December 31, 2001 and for all periods presented have been made. The income from operations for the quarter ended December 31, 2001 is not necessarily indicative of the operating results for the full year.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. It is suggested that these condensed consolidated financial statements be read in conjunction with the financial statements and notes thereto included in the Registrant's June 30, 2001, Annual Report on Form 10-K.

2. EARNINGS PER COMMON SHARE AND STOCK SPLIT

Basic earnings per share are computed based on the weighted average number of common shares outstanding. The weighted average number of common shares outstanding for the quarters ending December 31, 2001 and 2000 were 3,674,695 and 4,262,294, respectively. For the six months ended December 31, 2001 and 2000, weighted average number of common shares outstanding were 3,751,882 and 4,367,194, respectively. When dilutive, stock options are included as share equivalents using the treasury stock method. Common stock equivalents of 226,725 and 236,936 related to stock option grants were included in the computation of the average number of shares outstanding for diluted earnings per share for the quarters ended December 31, 2001 and 2000, respectively. Common stock equivalents of 236,070 and 213,347 related to stock option grants were included in the computation of the average number of shares outstanding for diluted earnings per share for the six months ended December 31, 2001 and 2000, respectively.

On October 2, 2001, the Company declared a 2 for 1 stock split of the Company's common stock for stockholders of record on October 22, 2001 with the effective date being November 5, 2001. Earnings per common share amounts disclosed have been restated to give effect to the common stock split.

3. INVENTORIES

The classification of inventories is as follows:

	December 31, 2001	June 30, 2001
Raw materials and work in process	$ 2,683,624	$ 3,064,147
Finished goods	6,641,717	6,412,881
	9,325,341	9,477,028
LIFO Reserve	(981,018)	(981,018)
	$ 8,344,323	$ 8,496,010

4. STOCK PURCHASE AGREEMENT

The Company has an agreement with its Chairman to repurchase stock from his estate in the event of his death. The repurchase price is 95% of the fair market value of the common stock on the date that notice to repurchase is provided to the Company. The total number of shares to be repurchased shall be sufficient to provide proceeds which are the lesser of $2,500,000 or the amount of estate taxes and administrative expenses incurred by his estate. The Company is obligated to pay in cash 25% of the total amount due and to execute a promissory note at the prime rate of interest for the balance. The Company maintains a $1,150,000 life insurance policy to fund a substantial portion of this obligation. At December 31, 2001 and June 30, 2001, $1,490,000 has been classified as a Contingently Redeemable Equity Interest reflecting the estimated obligation in the event of execution of the agreement.

5. RECLASSIFICATIONS

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation.

6. NEW ACCOUNTING PRONOUNCEMENTS

In July 2001, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (FAS) No. 141, "Business Combinations" and No. 142, "Goodwill and Other Intangible Assets." The statements eliminate the pooling-of-interests method of accounting for business combinations and require that goodwill and certain intangible assets not be amortized. Instead, these assets will be reviewed for impairment annually with any related losses recognized in earnings when incurred. The statements will be effective for the Company as of July 1, 2002 for existing goodwill and intangible assets and for business combinations initiated after June 30, 2001. The Company is currently analyzing the impact these statements will have; however, the impact is not expected to be material on the Company's financial position or results of operations.

In July 2001, the FASB also issued FAS No. 143, "Accounting for Asset Retirement Obligations" and in August 2001, issued No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." FAS No. 143 establishes accounting standards for the recognition and measurement of an asset retirement obligation. FAS No. 144 addresses financial accounting and reporting for the impairment or disposal of long-lived assets, superseding FAS No. 121. The statements are effective for the Company July 1, 2002. The Company is currently analyzing the impact these statements will have; however, the impact is not expected to be material on the Company's financial position or results of operations.

In April 2001, the EITF reached a consensus on EITF Issue No. 00-25, "Accounting for Consideration from a Vendor to a Retailer in Connection with the Purchase or Promotion of the Vendor's Products." This issue requires that consideration from a vendor to a retailer (a) in connection with the retailer's purchase of the vendor's products or (b) to promote sales of the vendor's products by the retailer be classified as a reduction of net sales unless the consideration meets certain criteria. EITF No. 00-25 is effective for the Company's fiscal quarters beginning after December 15, 2001 and requires reclassification of prior periods. The Company is currently evaluating the impact of implementing EITF No. 00-25; however, the impact is not expected to be material on the Company's financial position or results of operations.

In November 2001, the EITF reached a consensus on EITF No. 01-9, "Accounting for Consideration Given by a Vendor to a Customer or a Reseller of the Vendor's Products." This EITF codifies and reconciles certain issues, including EITF No. 00-25. EITF No. 01-9 is effective for fiscal quarters beginning after December 15, 2001. The Company is currently evaluating the impact of implementing EITF No. 01-9; however, the impact is not expected to be material on the Company's financial position or results of operations.

7. SUBSEQUENT EVENT

On January 22, 2002, a customer of the Company, KMART, declared bankruptcy. As a result, the Company has recorded a reserve for amounts due from KMART of $750,000 at December 31, 2001. This amount is included in the condensed consolidated statements of income.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Financial Condition and Liquidity

Cash provided by operating activities during the three months ended December 31, 2001 amounted to $2,495,499. This was primarily a result of net income for the period offset by changes in operating assets and liabilities, primarily related to decreases in accounts receivable, inventories, and income taxes receivable offset by decreases in accounts payable and accrued liabilities.

Capital expenditures for new property and equipment (including production tooling) were $368,922 for the quarter. Budgeted capital expenditures for fiscal year 2002 are $1,239,865. The Company expects to generate sufficient funds through operations to fund these expenditures.

Stockholders' investment decreased to $11,641,609 at December 31, 2001, from $14,939,429 at June 30, 2001. The decrease reflects the effect of the purchase and retirement of common stock, the purchases of common stock for treasury, and dividends, offset by net income and the exercise of stock options for the quarter.

The Company amended its existing credit facility in October 2001, extending the maturity date of the unsecured line of credit to November 1, 2002. This credit facility provides for borrowings up to a maximum of $10,000,000. The Company can use this credit facility for working capital purposes or for the purchase of its own stock pursuant to the Company's stock repurchase program. Borrowings under this credit facility bear interest at the bank's prime rate, or LIBOR plus 1.75%. This credit facility includes certain financial covenants that require the Company to maintain a minimum tangible net worth and specified current, interest coverage, and leverage ratios. The amount outstanding under this credit facility at December 31, 2001 were $2,879,500. There was no utilization of this credit facility at June 30, 2001.

In April of 1995, the Board of Directors approved a stock repurchase program authorizing the Company to purchase from time to time up to $2,000,000 of its common stock for its own account. In January of 1996, the Board of Directors approved an increase in the stock repurchase program from $2,000,000 to $3,000,000. In July of 1997, the Board of Directors again approved an increase in the stock repurchase program from $3,000,000 to $5,000,000. In January of 1998, the Board of Directors approved an increase of an additional $2,000,000, increasing the total stock repurchase program from $5,000,000 to $7,000,000. In August of 1998, the Board of Directors increased the Company's stock repurchase program by $3,000,000, thereby increasing the total amount of stock repurchases from $7,000,000 to $10,000,000. In April of 1999, the Board of Directors again approved an increase in the stock repurchase program from $10,000,000 to $15,000,000. In October of 1999, the Board of Directors increased the stock repurchase program by another $5,000,000, up to a maximum of $20,000,000, and in July of 2000 the Board increased the program by an additional $5,000,000, for a maximum of $25,000,000. In January of 2001, the Board of Directors approved an increase in the stock repurchase program from $25,000,000 to $28,000,000, another increase in April of 2001 of an additional $3,000,000, and an additional increase of $3,000,000 in July of 2001, for a maximum of $34,000,000. The Company intends to effectuate all stock purchases either on the open market or through privately negotiated transactions, and intends to finance all stock purchases through its own cash flow or by borrowing for such purchases.

For the quarter ended December 31, 2001, the Company purchased 31,000 shares of its common stock at $14.80 per share.

From the commencement of the Company's stock repurchase program through December 31, 2001, the Company has purchased a total of 4,814,180 shares for a total gross purchase price of $37,855,045 (representing an average gross purchase price of $7.86 per share) and a total net purchase price of $33,987,852 (representing an average net purchase price of $7.05 per share). The difference between the total gross purchase price and the total net purchase price is the result of the Company purchasing from certain employees shares of the Company's stock acquired by such employees pursuant to the Company's stock option program. In determining the dollar amount available for additional purchases under the stock repurchase program, the Company uses the total net purchase price paid by the Company for all stock purchases, as authorized by the Board of Directors.

The Company also has an Employee Stock Ownership and Trust ("ESOP") pursuant to which shares of the Company's stock are purchased by the ESOP for allocation to the accounts of ESOP participants. For the quarter ended December 31, 2001, the ESOP purchased 5,000 shares of the Company's stock for $74,000 (representing a purchase price of $14.80 per share).

Results of Operations

Net sales for the second quarter ended December 31, 2001 fell 6% to $9,751,397 from $10,348,476 for the same period in 2000. Net sales for the six months ended December 31, 2001 were $18,702,808 down 8% compared with $20,228,114 during the same six months one year ago. This decline was due to soft retail business.

Gross profit as a percent of net sales remained generally consistent at 40% for the quarter ended December 31, 2001 compared to 39% for the same period in the prior year. For the six month period ended December 31, 2001, the gross profit percentage was 39% compared to 40% for the same period in 2000.

Selling, general and administrative expenses for the quarter ended December 31, 2001 were $2,237,934 or 23% of net sales, compared to $2,238,820 or 22% of net sales for the same period in 2000. For the six month period ended December 31, 2001, these expenses were $4,163,898 or 22% of net sales, compared to $4,288,607 or 21% of net sales, for the same period in 2000. Selling, general and administrative expenses for the quarter and six months ended December 31, 2001 were impacted by additional reserves for bad debts recorded at December 31, 2001 of $500,000 for outstanding KMART receivables.

For the second quarter ended December 31, 2001, income from operations was $1,661,913 versus $1,839,322 for the same period in the prior year. Income from operations for the six months ended December 31, 2001 was $3,187,840 as compared to $3,741,782 for the same period in 2000.

Interest expense amounted to $49,254 for the quarter as compared to $3,381 for the same period in the prior year. For the six month period, the interest expense amounted to $60,218 compared with $11,197 the same period in the prior year. The increase in interest expense is due to the Company's increased level of borrowings on their unsecured line of credit.

Effective July 1, 1998, the Company entered into a License Agreement and an Addendum thereto with Logitech Electronics Inc. ("Logitech") of Ontario, Canada whereby the Company licensed to Logitech the right to sell multimedia/computer speakers under the Koss brand name. This License Agreement covers North America and certain countries in South America and Europe, requiring royalty payments by Logitech through June 30, 2008, subject to certain minimum annual royalty amounts.

The Company has a License Agreement with Jiangsu Electronics Industries Limited ("Jiangsu"), a subsidiary of Orient Power Holdings Limited, by way of an assignment of a previously existing License Agreement with Trabelco N.V. Orient Power is based in Hong Kong and has an extensive portfolio of audio and video products. This License Agreement covers the United States, Canada, and Mexico, and has been renewed through December 31, 2002. Pursuant to this License Agreement, Jiangsu has agreed to meet certain minimum royalty amounts each year. The products covered by this License Agreement include various consumer electronics products.

Royalty income from the licensing agreements with Jiangsu and Logitech was dramatically affected by the depressed market conditions resulting in a reduction in royalty income of 30% from $379,804 for the quarter ended December 31, 2000 to $265,833 for the quarter ended December 2001. For the six months ended December 31, 2001, royalty income fell 36% from $673,692 to $433,547 for the same period in the prior year. Effective January 1, 2002 the Jiangsu License Agreement was amended to include DVD players, which will help to increase the Company's future royalty income stream.

On October 2, 2001, the Company declared a 2 for 1 stock split of the Company's common stock for stockholders of record on October 22, 2001 with the effective date being November 5, 2001. All earnings per common share amounts herein have been restated to give effect to the common stock split.

On October 29, 2001, the Company declared a quarterly cash dividend of $0.12 per share (reflecting the effect of the 2 for 1 stock split) payable on January 15, 2002 to stockholders of record on December 31, 2001, which is recorded as dividends payable.

New Accounting Pronouncements

In July 2001, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (FAS) No. 141, "Business Combinations" and No. 142, "Goodwill and Other Intangible Assets." The statements eliminate the pooling-of-interests method of accounting for business combinations and require that goodwill and certain intangible assets not be amortized. Instead, these assets will be reviewed for impairment annually with any related losses recognized in earnings when incurred. The statements will be effective for the Company as of July 1, 2002 for existing goodwill and intangible assets and for business combinations initiated after June 30, 2001. The Company is currently analyzing the impact these statements will have; however, the impact is not expected to be material on the Company's financial position or results of operations.

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In April 2001, the EITF reached a consensus on EITF Issue No. 00-25, "Accounting for Consideration from a Vendor to a Retailer in Connection with the Purchase or Promotion of the Vendor's Products." This issue requires that consideration from a vendor to a retailer (a) in connection with the retailer's purchase of the vendor's products or (b) to promote sales of the vendor's products by the retailer be classified as a reduction of net sales unless the consideration meets certain criteria. EITF No. 00-25 is effective for the Company's fiscal quarters beginning after December 15, 2001 and requires reclassification of prior periods. The Company is currently evaluating the impact of implementing EITF No. 00-25; however, the impact is not expected to be material on the Company's financial position or results of operations.

In November 2001, the EITF reached a consensus on EITF No. 01-9, "Accounting for Consideration Given by a Vendor to a Customer or a Reseller of the Vendor's Products." This EITF codifies and reconciles certain issues, including EITF No. 00-25. EITF No. 01-9 is effective for fiscal quarters beginning after December 15, 2001. The Company is currently evaluating the impact of implementing EITF No. 01-9; however, the impact is not expected to be material on the Company's financial position or results of operations.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Form 10-Q contains forward-looking statements within the meaning of that term in the Private Securities Litigation Reform Act of 1995(the "Act") (Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934). Additional written or oral forward-looking statements may be made by the Company from time to time in filings with the Securities Exchange Commission, press releases, or otherwise. Statements contained in this Form 10-Q that are not historical facts are forward-looking statements made pursuant to the safe harbor provisions of the Act. Forward-looking statements may include, but are not limited to, projections of revenue, income or loss and capital expenditures, statements regarding future operations, anticipated financing needs, compliance with financial covenants in loan agreements, plans for acquisitions or sales of assets or businesses, plans relating to products or services of the Company, assessments of materiality, predictions of future events, the effects of pending and possible litigation, and assumptions relating to the foregoing. In addition, when used in this Form 10-Q, the words "anticipates," "believes," or "estimates," "expects," "intends," "plans" and variations thereof and similar expressions are intended to identify 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 Form 10-Q, or in other Company filings, press releases, or otherwise. In addition to the factors discussed in this Form 10-Q, other factors that could contribute to or cause such differences include, but are not limited to, developments in any one or more of the following areas: future fluctuations in economic conditions, the receptivity of consumers to new consumer electronics technologies, the rate and consumer acceptance of new product introductions, competition, pricing, the number and nature of customers and their product orders, production by third party vendors, foreign manufacturing, sourcing and sales (including foreign government regulation, trade and importation concerns), borrowing costs, changes in tax rates, pending or threatened litigation and investigations, and other risk factors which may be detailed from time to time in the Company's Securities and Exchange Commission filings.

Readers are cautioned not to place undue reliance on any forward-looking statements contained herein, which speak only as of the date hereof. The Company undertakes no obligation to publicly release the result of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unexpected events.

PART II OTHER INFORMATION

Item 4 Submission of Matters to Vote of Security-Holders

(a) On October 18, 2001 an Annual Meeting of Stockholders was held.

(b) Proxies for the election of directors were solicited pursuant to Regulation 14. There was no solicitation in opposition to management's nominees, and all such nominees were elected.

(c) There were 1,913,378 shares of common stock eligible to vote at the Annual Meeting, of which 1,874,798 shares were present at the Annual Meeting in person or by proxy, which constituted a quorum. The following is a summary of the results of the voting:

	Number of Votes		Broker
	For	Withheld	Non-Votes
Nominees for 1-year terms ending in 2002:			
John C. Koss	1,665,192	209,606	0
Thomas L. Doerr	1,684,142	190,656	0
Victor L. Hunter	1,684,142	190,656	0
Michael J. Koss	1,682,083	192,715	0
Lawrence S. Mattson	1,684,342	190,456	0
Martin F. Stein	1,685,018	189,780	0
John J. Stollenwerk	1,685,237	189,561	0

		Number of Votes	
	For	Against	Abstain
Amendment to the 1990 Flexible Incentive Plan to increase the number of shares available for grant thereunder	1,478,505	245,409	6,074

		Number of Votes		Broker
	For	Against	Abstain	Non-Votes
Appointment of PricewaterhouseCoopers LLP as independent auditors for the year ended June 30, 2002	1,872,390	432	1,976	0

Item 6 Exhibits and Reports on Form 8-K

(a) Exhibits Filed
Amendment to Loan Agreement dated October 10, 2001.

Seventh Amendment to License Agreement between Koss Corporation and Jiangsu Electronics Industries Limited dated December 28, 2001.

Amendment and Extension Agreement between Koss Corporation and Logitech Electronics Inc.

See Exhibit Index attached hereto.

(b) Reports on Form 8-K
The Company filed a Form 8-K on July 27, 2001 announcing the Company's intent to begin paying quarterly dividends beginning with the quarter ending September 30, 2001.

The Company also filed a Form 8-K on October 5, 2001 announcing a 2 for 1 stock split effective for shareholders of record on October 22, 2001 with a distribution date of November 5, 2001.

Signatures

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

KOSS CORPORATION

Dated: 1/30/02 /s/ Michael J. Koss

Michael J. Koss
Vice Chairman, President,
Chief Executive Officer,
Chief Financial Officer

Dated: 1/30/02 /s/ Sue Sachdeva

Sue Sachdeva
Vice President--Finance

EXHIBIT INDEX

The Company will furnish a copy of any exhibit described below upon request and upon reimbursement to the Company of its reasonable expenses of furnishing such exhibit, which shall be limited to a photocopying charge of $0.25 per page and, if mailed to the requesting party, the cost of first-class postage.

Designation of Exhibit	Exhibit Title	Incorporation by Reference
3.1	Certificate of Incorporation of Koss Corporation, as in effect on September 25, 1996	(1)
3.2	By-Laws of Koss Corporation, as in effect on September 25, 1996	(2)
4.1	Certificate of Incorporation of Koss Corporation, as in effect on September 25, 1996	(1)
4.2	By-Laws of Koss Corporation, as in effect on September 25, 1996	(2)
10.1	Officer Loan Policy	(3)
10.3	Supplemental Medical Care Reimbursement Plan	(4)
10.4	Death Benefit Agreement with John C. Koss	(5)
10.5	Stock Purchase Agreement with John C. Koss	(6)
10.6	Salary Continuation Resolution for John C . Koss	(7)
10.7	1983 Incentive Stock Option Plan	(8)
10.8	Assignment of Lease to John C. Koss	(9)
10.9	Addendum to Lease	(10)
10.10	1990 Flexible Incentive Plan	(11)
10.12	Loan Agreement, effective as of February 17, 1995	(12)
10.13	Amendment to Loan Agreement dated June 15, 1995, effective as of February 17, 1995	(13)
10.14	Amendment to Loan Agreement dated April 29, 1999	(14)
10.15	Amendment to Loan Agreement dated December 15, 1999 ...	(15)

Designation of Exhibit	Exhibit Title	Incorporation by Reference
10.16	Amendment to Loan Agreement dated October 10, 2001	(16)
10.17	License Agreement dated November 15, 1991 between Koss Corporation and Trabelco N.V. (a subsidiary of Hagemeyer N.V.) for North America, Central America and South America (including Amendment to License Agreement dated November 15, 1991; Renewal Letter dated November 18, 1994; and Second Amendment to License Agreement dated September 29, 1995)	(17)
10.18	License Agreement dated September 29, 1995 between Koss Corporation and Trabelco N.V. (a subsidiary of Hagemeyer N.V.) for Europe (including First Amendment to License Agreement dated December 26, 1995)	(18)
10.19	Third Amendment and Assignment of License Agreement to Jiangsu Electronics Industries Limited dated as of March 31, 1997	(19)
10.20	Fourth Amendment to License Agreement between Koss Corporation and Jiangsu Electronics Industries Limited dated as of May 29, 1998	(20)
10.21	Fifth Amendment to License Agreement between Koss Corporation and Jiangsu Electronics Industries Limited dated March 30, 2001	(21)
10.22	Sixth Amendment to License Agreement between Koss Corporation and Jiangsu Electronics Industries Limited dated August 15, 2001	(22)
10.23	Seventh Amendment to License Agreement between Koss Corporation and Jiangsu Electronics Industries Limited dated December 28, 2001	(23)
10.24	License Agreement dated June 30, 1998 between Koss Corporation and Logitech Electronics Inc. (including Addendum to License Agreement dated June 30, 1998)	(24)
10.25	Amendment and Extension Agreement between Koss Corporation and Logitech Electronics Inc. dated May 1, 2001..	(25)
10.26	Consent of Directors (Supplemental Executive Retirement Plan for Michael J. Koss dated March 7, 1997)...	(26)
10.27	Amendment to Lease...	(27)

Designation of Exhibit	Exhibit Title	Incorporation by Reference
10.28	Partial Assignment, Termination and Modification of Lease	(28)
10.29	Restated Lease	(29)
22	List of Subsidiaries of Koss Corporation	(30)

(1) Incorporated by reference from Exhibit 3.1 to the Company's Annual Report on Form 10-K for the year ended June 30, 1996 (Commission File No. 0-3295)

(2) Incorporated by reference from Exhibit 3.2 to the Company's Annual Report on Form 10-K for the year ended June 30, 1996 (Commission File No. 0-3295)

(3) Incorporated by reference from Exhibit 10.1 to the Company's Annual Report on Form 10-K for the year ended June 30, 1996 (Commission File No. 0-3295)

(4) Incorporated by reference from Exhibit 10.3 to the Company's Annual Report on Form 10-K for the year ended June 30, 1996 (Commission File No. 0-3295)

(5) Incorporated by reference from Exhibit 10.4 to the Company's Annual Report on Form 10-K for the year ended June 30, 1996 (Commission File No. 0-3295)

(6) Incorporated by reference from Exhibit 10.5 to the Company's Annual Report on Form 10-K for the year ended June 30, 1996 (Commission File No. 0-3295)

(7) Incorporated by reference from Exhibit 10.6 to the Company's Annual Report on Form 10-K for the year ended June 30, 1996 (Commission File No. 0-3295)

(8) Incorporated by reference from Exhibit 10.7 to the Company's Annual Report on Form 10-K for the year ended June 30, 1996 (Commission File No. 0-3295)

(9) Incorporated by reference from Exhibit 10.7 to the Company's Annual Report on Form 10-K for the year ended June 30, 1988 (Commission File No. 0-3295)

(10) Incorporated by reference from Exhibit 10.8 to the Company's Annual Report on Form 10-K for the year ended June 30, 1988 (Commission File No. 0-3295)

(11) Incorporated by reference from Exhibit 25 to the Company's Annual Report on Form 10-K for the year ended June 30, 1990 (Commission File No. 0-3295)

Designation of Exhibit	Exhibit Title	Incorporation by Reference
(12)	Incorporated by reference from Exhibit 10 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1995 (Commission File No. 0-3295)	
(13)	Incorporated by reference from Exhibit 10.13 to the Company's Annual Report on Form 10-K for the year ended June 30, 1995 (Commission File No. 0-3295)	
(14)	Incorporated by reference from Exhibit 10.14 to the Company's Annual Report on Form 10-K for the year ended June 30, 1999 (Commission File No. 0-3295	
(15)	Incorporated by reference from Exhibit 10.15 to the Company's Annual Report on Form 10-K for the year ended June 30, 2000 (Commission File No. 0-3295)	
(16)	Filed herewith	
(17)	Incorporated by reference from Exhibit 10.14 to the Company's Annual Report on Form 10-K for the year ended June 30, 1996 (Commission File No. 0-3295)	
(18)	Incorporated by reference from Exhibit 10.15 to the Company's Annual Report on Form 10-K for the year ended June 30, 1996 (Commission File No. 0-3295)	
(19)	Incorporated by reference from Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1997 (Commission File No. 0-3295)	
(20)	Incorporated by reference from Exhibit 10.17 to the Company's Annual Report on Form 10-K for the year ended June 30, 1998 (Commission File No. 0-3295)	
(21)	Incorporated by reference from the sole Exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2001 (Commission File No. 0-3295)	
(22)	Incorporated by reference from Exhibit 10.21 to the Company's Annual Report on Form 10-K for the year ended June 30, 2001 (Commission File No. 0-3295)	
(23)	Filed herewith	
(24)	Incorporated by reference from Exhibit 10.18 to the Company's Annual Report on Form 10-K for the year ended June 30, 1998 (Commission File No. 0-3295)	

Designation of Exhibit	Exhibit Title	Incorporation by Reference
(25)	Filed herewith	
(26)	Incorporated by reference from Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1997 (Commission File No. 0-3295)	
(27)	Incorporated by reference from Exhibit 10.22 to the Company's Annual Report on Form 10-K for the year ended June 30, 2000 (Commission File No. 0-3295)	
(28)	Incorporated by reference from Exhibit 10.25 to the Company's Annual Report on Form 10-K for the year ended June 30, 2001 (Commission File No. 0-3295)	
(29)	Incorporated by reference from Exhibit 10.26 to the Company's Annual Report on Form 10-K for the year ended June 30, 2001 (Commission File No. 0-3295)	
(30)	Incorporated by reference from Exhibit 22 to the Company's Annual Report on Form 10-K for the year ended June 30, 1988 (Commission File No. 0-3295)	

Exhibit 10.16

AMENDMENT NO. 6 TO LOAN AGREEMENT

THIS AMENDMENT NO. 6 TO LOAN AGREEMENT (the "Amendment") is made and entered into as of October 10, 2001, by and between LaSALLE BANK NATIONAL ASSOCIATION, f/k/a LaSALLE NATIONAL BANK, a national banking association (the "Lender"), and KOSS CORPORATION, a Delaware corporation (the "Borrower").

RECITALS:

Borrower and Lender entered into that certain Loan Agreement dated February 17, 1995, as amended by that certain Amendment No. 1 to Loan Agreement dated June 15, 1995, as further amended by that certain Amendment No. 2 to Loan Agreement dated May 20, 1996, as further amended by that certain Amendment No. 3 to Loan Agreement dated December 31, 1997, as further amended by that certain Amendment No. 4 to Loan Agreement dated April 29, 1999, and as further amended by that certain Amendment No. 5 dated December 15, 1999 (collectively, the "Loan Agreement"), pursuant to which Lender agreed to provide Borrower with a revolving line of credit up to $10,000,000.00 (the "Revolving Loan"); and

Borrower has requested Lender to extend the Maturity Date of the Revolving Loan to November 1, 2002, and Lender has agreed to do so provided, among other things, Borrower executes and delivers this Amendment.

NOW THEREFORE, in consideration of the premises which are incorporated herein by this reference, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Section 2.1(A) of the Loan Agreement shall be deleted in its entirety and replaced with the following new Section 2.1(A):

> Subject to the terms and conditions of this Agreement, on the date upon which all terms and conditions of the Documents have been met or fulfilled to the satisfaction of Lender (the "Closing Date"), the Lender agrees to make loans to Borrower on a revolving basis (such loans being herein called individually, a "Revolving Loan", and collectively, the "Revolving Loans") from time to time in such amounts as Borrower may from time to time request up to an aggregate amount outstanding of $10,000,000.00; provided, however, that (i) each borrowing by Borrower hereunder with respect to any Revolving Loan shall be in the aggregate principal amount of at least $10,000.00; (ii) the Lender's commitment to make Revolving Loans shall remain in effect for a period to and including November 1, 2002 (the "Revolver Termination Date"); (iii)

notwithstanding any provision herein to the contrary (1) upon the occurrence and continuance of any Event of Default, and in each such event, the Lender may, in its sole discretion, immediately cease to make Revolving Loans; and (2) on the Revolver Termination Date, Borrower shall repay to the Lender all Revolving Loans, plus interest accrued to the date of payment; and (iv) for a period of at least 30 consecutive days during each fiscal year of Borrower, the amount of Revolving Loans outstanding shall not exceed $2,000,000.00.

2. Subsection 2.1(B)(b) of the Loan Agreement shall be deleted in its entirety and replaced with the following new Subsection 2.1(B)(b):

(b) all Letters of Credit shall expire prior to November 1, 2002.

3. Subsection 5.1(S) of the Loan Agreement shall be deleted in its entirety and replaced with the following new Subsection 5.1(S):

(s) Tangible Net Worth. Borrower, on a consolidated basis, shall not cause, suffer for permit its Tangible Net Worth (including adjustments or transactions with Affiliates) to be less than $10,000,000.00 at any time.

4. Borrower shall deliver to Lender as a condition to Lender's undertakings as provided hereunder, note amendments, a copy of its Articles of Incorporation certified by the Delaware Secretary of State, a directors' consent, secretary's certificate and such other documents as Lender shall request, each in form and substance satisfactory to Lender and its counsel.

5. All references to "the Agreement" in the Loan Agreement shall mean the Loan Agreement as amended by this Amendment. All references to "the Loan," "the Loans," in the Loan Agreement shall include the loan amendments made hereunder. All references to "the Documents" in the Loan Agreement shall include this Amendment, the amendment to the Revolving Note and any other instrument or document required hereunder, whether now existing or at any time hereafter arising. All references to "the Revolving Note" and in Loan Agreement shall include the amendments thereto.

6. All of the agreements, representations, covenants and obligations set forth in the Loan Agreement and hereby reaffirmed and restated as of the date of this Amendment. All representations and warranties contained in the Loan Agreement remain true and correct as of the date of this Amendment.

7. Borrower agrees to pay all fees and out-of-pocket expenses of Lender including, without limitation, outside counsel to the Lender in connection with the preparation of this Amendment, and any and all

agreements, instruments and documents required or contemplated by this Amendment.

8. Except as specifically amended and modified by this Amendment (a) the Loan Agreement shall remain in full force and effect and is hereby restated and incorporated herein by this reference; and (b) all terms defined in the Loan Agreement shall have the same meanings herein as therein.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 6 to be duly executed and delivered at Chicago, Illinois, as of the date first above written.

LaSALLE BANK NATIONAL ASSOCIATION	KOSS CORPORATION
By: /s/ James J. Hess	By: /s/ Michael J. Koss
Title: Vice President	Title: CEO President
	ATTEST:
	By: /s/ Laura T. Acuff
	Title: Notary Public

Exhibit 10.23

Jiangsu Electronics Industries Limited
c/o Koss Audio & Video Electronics
11733 Missouri Bottom Road
Hazelwood, Missouri 63042

December 28, 2001

Mr. Michael J. Koss
Koss Corporation
4129 North Port Washington Avenue
Milwaukee, Wisconsin 53212

Re: Seventh Amendment to License Agreement

Dear Michael:

Koss Corporation, a Delaware corporation ("Licensor"), and Jiangsu Electronics Industries Limited, a British Virgin Islands company ("Licensee"), are (by way of assignment) parties to a certain License Agreement between Licensor and Trabelco N.V. dated November 15, 1991, as amended (as amended, the "License Agreement"). Licensor and Licensee now desire to further amend certain terms and conditions of the License Agreement and agree as follows:

1. The first sentence of Section 1.2 of the License Agreement (as amended by the Fourth Amendment to License Agreement dated May 29, 1998 and Fifth Amendment to License Agreement dated March 30, 2001) is hereby revised such that all references to December 31, 2001 shall be deleted and replaced with December 31, 2002 and all references to January 1, 2002 shall be deleted and replaced with January 1, 2003, but ONLY to the extent such dates relate to the sale of DVD players and/or recorders added to the License Agreement pursuant to this letter agreement as reflected on EXHIBIT B and EXHIBIT D to the License Agreement (modified in accordance with item 3 below).

2. As of the date hereof Licensee agrees that Licensor shall have the right to manufacture, distribute and sell personal AM/FM and TV band radios with headsets for use with specially outfitted automobile audio and video systems. Licensor agrees that all such radio and headset units shall comply with the specifications of the automobile original equipment manufacturer (i.e. Ford, General Motors) and be distributed directly through such manufacturer to its respective automobile dealers as well as sold direct to consumers through Licensor's internet site.

3. EXHIBIT B and EXHIBIT D to the License Agreement are hereby deleted in their entirety and the EXHIBIT B and EXHIBIT D attached hereto shall be inserted in their place.

4. The parties hereto agree that this letter agreement has been jointly drafted by the parties, that the language used in this letter agreement reflects their mutual intent, and that no term or provision shall be construed more or less favorably to either party hereto on the grounds that it was drafted or authorized by such party.

5. Except as hereby amended, the License Agreement shall remain in full force and effect.

To evidence your agreement with the provisions set forth in this letter, please execute this letter below.

Very truly yours,

JLANGSU ELECTRONICS INDUSTRIES LIMITED

By: /s/ Poon Ka Hung

Name: Poon Ka Hung
Title: Chief Executive Officer

Agreed to this 28 day of December, 2001

KOSS CORPORATION

By: /s/ Michael J. Koss

Michael J. Koss, President

Exhibit B

MOBILE PRODUCTS*	ROYALTY
Audio systems of any nature (excluding clock radios and audio systems incorporating clock radios) with a cassette player but without a compact disc player	2.0%
Audio systems of any nature (excluding clock radios and audio systems incorporating clock radios) with a compact disc player and/or a CD changer	1.5%
Power amplifiers	1.5%
Power inverters	1.5%
Receivers	2.0%
Audio and video systems of any nature incorporating a DVD player and/or recorder	1.0%

HOME AND PORTABLE PRODUCTS**	ROYALTY
Clock radios	2.0%
AM/FM radios (excluding clock radios and audio systems incorporating clock radios) without a cassette or compact disc player	3.0%
Audio systems of any nature (excluding clock radios	

and audio systems incorporating clock radios) with a cassette player but without a compact disc player 2.0%

Audio systems of any nature (excluding clock radios and audio systems incorporating clock radios) with a compact disc player and/or a CD changer 1.5%

Power amplifiers 1.5%

Receivers 2.0%

Audio, video and home theater systems of any nature incorporating a DVD player and/or recorder 1.0%

- -------------

* All products listed under Mobile Products in this Exhibit B shall mean only those products which are designed for use in automobiles only.

Exhibit D

Calculation of Quarterly Royalties Payment

Total Sales
Returns Net
Sales
Royalty Rate
Subtotal ---
-------- ---
------ -----
---- -------
----- ------
-- MOBILE
PRODUCTS*
Audio
systems of
any nature -
-------- ---
------ -----
---- 2.0%
(excluding
clock radios
and audio
systems
incorporating
clock
radios) with
a cassette
player but
without a
compact disc
player Audio
systems of
any nature -
-------- ---
------ -----
---- 1.5%
(excluding
clock radios
and audio
systems
incorporating
clock
radios) with
a compact
disc player
and/or a CD
changer
Power
Amplifiers -
-------- ---
------ -----
---- 1.5%
Power
Inverters --
------- ----
----- ------
--- 1.5%
Receivers --
------- ----
----- ------
--- 2.0%
Audio and
video
systems ----
----- ------
--- --------
- 1.0% of
any nature
incorporating
a DVD player
and/or
recorder

Total Sales Returns Net Sales Royalty Rate Subtotal --- -------- --- ---- ------- -- --------- --- --------
HOME AND PORTABLE PRODUCTS**
Clock Radios ----------- ------- ---- ----- 2.0%
AM/FM radios ----------- ------- ---- ----- 3.0%
(excluding clock radios and audio systems incorporating clock radios) without a cassette or compact disc player Audio systems of any nature - ---------- - ------ ----- ---- 2.0%
(excluding clock radios and audio systems incorporating clock radios) with a cassette player but without a compact disc player Audio systems of any nature - ---------- - ------ ----- ---- 1.5%
(excluding clock radios and audio systems incorporating clock radios) with a compact disc player and/or a CD changer
Power Amplifiers - ---------- - ------ ----- ---- 1.5%
Receivers -- --------- -- ----- ------ --- 2.0%
Audio video and home theater ---- ------- ----

--- --------
- 1.0%
systems of
any nature
incorporating
a DVD player
and/or
recorder
Subtotal $
Subtotal $ -
------ -----
--- Less 2%
of itemized
discounts,
rebates and
shipping
costs ( ) --

ROYALTIES
PAYMENT $

* All products listed under Mobile Products in this Exhibit D shall mean only those products which are designed for use in automobiles only.

** Home and portable products listed in this Exhibit D shall not include products designed for use in automobiles.

Exhibit 10.25

AMENDMENT & EXTENSION AGREEMENT

THIS AMENDMENT & EXTENSION AGREEMENT is made as of the 1 day of May, 2001, by and between KOSS CORPORATION, a Delaware corporation with its principal place of business at 4129 North Port Westington Avenue, Milwaukee, WI 53212 (the "LICENSOR") and LOGITECH ELECTRONICS INC., an Ontario company, with its principal place of business at 60 Bell Farm Road, Barrie, Ontario L4M 5G6 (the "LICENSEE").

WITNESSETH:

WHEREAS LICENSOR and LICENSEE are parties to a certain License Agreement dated the 30th day of June, 1998 (the "LICENSE AGREEMENT") and are furthermore parties to a certain Addendum Agreement dated the 30th day of June, 1998 (the "ADDENDUM") with respect to the License Agreement;

AND WHEREAS the parties now desire to amend and extend the terms and conditions of the License Agreement and the Addendum as hereinafter provided;

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. AMENDMENT TO ROYALTY.

   Section 6.1 of the License Agreement is hereby amended to replace the definition of "Royalties" as "an amount equal to ten percent (10%) of net sales" to read "AN AMOUNT EQUAL TO SIX AND ONE-HALF PERCENT (6.5%) OF NET SALES", said amendment to be effective as of the 1st day of July, 2000.

2. AMENDMENT TO MINIMUM ANNUAL ROYALTIES.

   Section 6.2 of the License Agreement is hereby amended to replace the "annual minimum Royalties" as referred to therein, for the period from July 1, 2000, to June 30, 2003, as follows:

"Contract Year	Minimum Royalties
July 1, 2000 - June 30, 2001	U.S. $210,000
July 1, 2001 - June 30, 2002	U.S. $220,000
July 1, 2002 - June 30, 2003	U.S. $230,000"

3. EXTENSION OF LICENSE AGREEMENT & ADDENDUM.

It is agreed that the License Agreement and Addendum shall be renewed and extended for a further five (5) year term from the 1st day of July, 2003, to the 30th day of June, 2008. It is furthermore agreed that Section 6.3 of the License Agreement is hereby amended to replace the "Minimum Royalties for the first renewal period" as referred to therein, for the period from July 1, 2003, to June 30, 2008, as follows:

"Contract Year	Minimum Royalties
July 1, 2003 - June 30, 2004	U.S. $241,000
July 1, 2004 - June 30, 2005	U.S. $252,000
July 1, 2005 - June 30, 2006	U.S. $265,000
July 1, 2006 - June 30, 2007	U.S. $278,000
July 1, 2007 - June 30, 2008	U.S. $292,000"

4. MISCELLANEOUS.

Save and except as amended and extended herein, the License Agreement and Addendum shall remain in full force and effect, binding upon the parties thereto and hereto in accordance with the terms therein.

IN WITNESS WHEREOF the parties hereto have caused this Amendment & Extension Agreement to be executed as of the date set forth above. The effective date of this Amendment & Extension Agreement is the 1st day of July, 2000.

KOSS CORPORATION

By: /s/ Michael J. Koss
President and CEO

LOGITECH ELECTRONICS INC.

By: /s/ Greg Bell
President and CEO