

Edgar Filing: ANDREA ELECTRONICS CORP - Form 8-K

ANDREA ELECTRONICS CORP

Form 8-K

March 25, 2002

1

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): March 22, 2002

ANDREA ELECTRONICS CORPORATION

(Exact name of registrant as specified in its charter)

New York ----- (State or other Jurisdiction of incorporation or organization)	1-4324 ----- (Commission File Number)	11-0482020 ----- (IRS Employer Identification No.)
--	--	---

45 Melville Park Road, Melville, New York 11747

(Address of principal executive offices)

(631) 719-1800

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

2

ITEMS 1, 2, 3, 4, 6, 8 AND 9. NOT APPLICABLE.

ITEM 5. OTHER EVENTS.

Andrea Electronics Corporation (the "Company") executed a letter of understanding with HFTP Investment L.L.C. ("HFTP"), the holder of all of the Company's Series B and Series C Convertible Preferred Stock, whereby HFTP intends to provide the Company with a waiver, until April 1, 2007, of certain redemption rights which exist under the terms of the Series C Preferred Stock,

Edgar Filing: ANDREA ELECTRONICS CORP - Form 8-K

provided that certain conditions are met and continue to be met through such date as described in the term sheet attached as Exhibit 99.2 hereto and incorporated herein by reference. Additionally, HFTP would waive its right to receive payments under a related registration rights agreement.

In exchange for the proposed waivers, the Company would grant HFTP a security interest in all of the assets of the Company subject to certain exclusions as described in the term sheet attached as Exhibit 99.2 hereto and incorporated herein by reference. Additionally, the Company would provide HFTP certain representations and warranties regarding its business. The Company anticipates negotiating final binding agreements in the near future.

Copies of the letter of understanding and term sheet relating thereto are attached as Exhibits 99.1 and 99.2 hereto, respectively.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

- (a) Financial Statements of Businesses Acquired: Not applicable
- (b) Pro Forma Financial Information: Not applicable
- (c) Exhibits

Number	Description
-----	-----
99.1	Letter of Understanding Dated March 22, 2002
99.2	Term Sheet

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 hereunto duly authorized.

ANDREA ELECTRONICS CORPORATION

Dated: March 22, 2002

By: /s/Richard A. Maue

 Richard A. Maue
 Executive Vice President, Chief Financial
 Officer and Corporate Secretary

