

EXHIBIT B

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF WISCONSIN**

UNITED STATES SECURITIES)
AND EXCHANGE COMMISSION,)
)
 Plaintiff,)
)
 v.)
)
KOSS CORPORATION AND)
MICHAEL J. KOSS,)
)
 Defendants.)

Civil Action No.: 2:11-cv-00991

**MOTION FOR ENTRY OF FINAL JUDGMENTS
AS TO DEFENDANTS KOSS CORPORATION AND MICHAEL J. KOSS**

Plaintiff United States Securities and Exchange Commission (“SEC”), by its attorneys, respectfully moves for the entry of final judgments as to Defendants Koss Corporation (“Koss”) and Michael J. Koss (“MJK”). In support of its motion, the SEC states:

1. The SEC initiated this action against Koss and MJK on October 24, 2011.
2. The Complaint alleges that Koss violated Sections 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. §§ 78m(a), 78m(b)(2)(A), & 78m(b)(2)(B)], and Rules 12b-20, 13a-1, 13a-11 and 13a-13 promulgated thereunder [17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-11 and 240.13a-13].
3. The Complaint further alleges that MJK aided and abetted Koss’s violations of the Exchange Act, and also violated Rule 13a-14 under the Exchange Act [17 C.F.R. § 240.13a-14].
4. The SEC and the Defendants have reached agreements to settle this action.
5. Defendant Koss has consented to the entry of final judgment against it pursuant to the terms of the Consent of Defendant Koss Corporation attached hereto as Exhibit A.

Defendant Koss has also “agree[d] that the Commission may present the Final Judgment to the Court for signature and entry without further notice.” (Paragraph 13, Ex. A.)

6. Defendant MJK has consented to the entry of final judgment against him pursuant to the terms of the Consent of Defendant Michael J. Koss attached hereto as Exhibit B.

Defendant MJK has also “agree[d] that the Commission may present the Final Judgment to the Court for signature and entry without further notice.” (Paragraph 14, Ex. B.)

7. Accordingly, the SEC respectfully moves the court to enter final judgments against Defendants Koss and MJK. Proposed orders for each of the Defendants are attached hereto as Exhibits C and D. Entry of the requested judgments will resolve all claims in this litigation.

WHEREAS, plaintiff United States Securities and Exchange Commission respectfully requests that the Court enter final judgments as to Defendants Koss and MJK in the forms of the proposed orders attached as Exhibits C and D.

Dated: October 24, 2011

Respectfully submitted,

/s/ Andrea R. Wood

Andrea R. Wood (IL Bar # 6256883)

James A. Davidson (IL Bar # 6206786)

Attorneys for Plaintiff

U.S. Securities and Exchange Commission

175 W. Jackson Blvd., Suite 900

Chicago, Illinois 60604

Telephone: (312) 353-7390

Fax: (312) 353-7398

E-mail: wooda@sec.gov

E-mail: davidsonj@sec.gov

EXHIBIT A

**THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF WISCONSIN**

UNITED STATES SECURITIES)	
AND EXCHANGE COMMISSION,)	
)	
Plaintiff,)	
)	
v.)	Civil Action No.:
)	
KOSS CORPORATION and)	
MICHAEL J. KOSS)	
)	
Defendants.)	

CONSENT OF DEFENDANT KOSS CORPORATION

1. Defendant Koss Corporation (“Defendant”) acknowledges having been served with the complaint, enters a general appearance, and admits the Court’s jurisdiction over Defendant and over the subject matter of this action.
2. Without admitting or denying the allegations of the Complaint (except as to personal and subject matter jurisdiction, which Defendant admits), Defendant hereby consents to the entry of the judgment in the form attached hereto (the “Order”) and incorporated by reference herein, which, among other things permanently restrains and enjoins Defendant from violating Sections 13(a), 13(b)(2)(A), and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §§ 78m(a), 78m(b)(2)(A), 78m(b)(2)(B)] and Rules 12b-20, 13a-1, 13a-11 and 13a-13 [17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-11, and 240.13a-13]
3. Defendant waives the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure.
4. Defendant waives the right, if any, to a jury trial and to appeal from the entry of the Order.

5. Defendant enters into this Consent voluntarily and represents that no threats, offers, promises, or inducements of any kind have been made by the Commission or any member, officer, employee, agent, or representative of the Commission to induce Defendant to enter into this Consent.
6. Defendant agrees that this Consent shall be incorporated into the Order with the same force and effect as if fully set forth therein.
7. Defendant will not oppose the enforcement of the Order on the ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and hereby waives any objection based thereon.
8. Defendant waives service of the Order and agrees that entry of the Order by the Court and filing with the Clerk of the Court will constitute notice to Defendant of its terms and conditions. Defendant further agrees to provide counsel for the Commission, within thirty days after the Order is filed with the Clerk of the Court, with an affidavit or declaration stating that Defendant has received and read a copy of the Order.
9. Consistent with 17 C.F.R. § 202.5(f), this Consent resolves only the claims asserted against Defendant in this civil proceeding. Defendant acknowledges that no promise or representation has been made by the Commission or any member, officer, employee, agent, or representative of the Commission with regard to any criminal liability that may have arisen or may arise from the facts underlying this action or immunity from any such criminal liability. Defendant waives any claim of Double Jeopardy based upon the settlement of this proceeding, including the imposition of any remedy or civil penalty herein. Defendant further

acknowledges that the Court's entry of a permanent injunction may have collateral consequences under federal or state law and the rules and regulations of self-regulatory organizations, licensing boards, and other regulatory organizations. Such collateral consequences include, but are not limited to, a statutory disqualification with respect to membership or participation in, or association with a member of, a self-regulatory organization. This statutory disqualification has consequences that are separate from any sanction imposed in an administrative proceeding. In addition, in any disciplinary proceeding before the Commission based on the entry of the injunction in this action, Defendant understands that they shall not be permitted to contest the factual allegations of the Complaint in this action.

10. Defendant understands and agrees to comply with the Commission's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegation in the Complaint or order for proceedings." 17 C.F.R. § 202.5. In compliance with this policy, Defendant agrees: (i) not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any allegation in the Complaint or creating the impression that the Complaint is without factual basis; and (ii) that upon the filing of this Consent, Defendant hereby withdraws any papers filed in this action to the extent that they deny any allegation in the Complaint. If Defendant breaches this agreement, the Commission may petition the Court to vacate the Order and restore this action to its active docket. Nothing in this paragraph affects Defendant's: (i) testimonial obligations; or (ii) right to take

legal or factual positions in litigation or other legal proceedings in which the Commission is not a party.

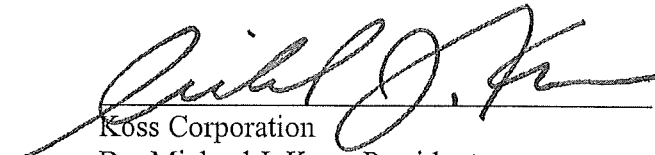
11. Defendant hereby waives any rights under the Equal Access to Justice Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to seek from the United States, or any agency, or any official of the United States acting in his or her official capacity, directly or indirectly, reimbursement of attorney's fees or other fees, expenses, or costs expended by Defendant to defend against this action. For these purposes, Defendant agrees that Defendant is not the prevailing party in this action since the parties have reached a good faith settlement.
12. In connection with this action and any related judicial or administrative proceeding or investigation commenced by the Commission or to which the Commission is a party, Defendant: (i) agrees to appear and be interviewed by Commission staff at such times and places as the staff requests upon reasonable notice; (ii) will accept service by mail or facsimile transmission of notices or subpoenas issued by the Commission for documents or testimony at depositions, hearings, or trials, or in connection with any related investigation by Commission staff; (iii) appoints Defendant's undersigned attorney as an agent to receive service of such notices and subpoenas; (iv) with respect to such notices and subpoenas, waives the territorial limits on service contained in Rule 45 of the Federal Rules of Civil Procedure and any applicable local rules, provided that the party requesting the testimony reimburses Defendant's travel, lodging, and subsistence expenses at the then-prevailing U.S. Government per diem rates; and (v)

consents to personal jurisdiction over Defendant in any United States District Court for purposes of enforcing any such subpoena.

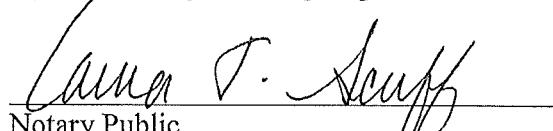
13. Defendant agrees that the Commission may present the Order to the Court for signature and entry without further notice.

14. Defendant agrees that this Court shall retain jurisdiction over this matter for the purpose of enforcing the terms of the Order.


Dated: 10.5.11


Koss Corporation
By: Michael J. Koss, President

On OCTOBER 5, 2011, Michael J. Koss, a person known to me, personally appeared before me and acknowledged executing the foregoing Consent.


Notary Public
Commission expires: 8/4/13

Approved as to form:


Attorney for Koss Corporation



**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF WISCONSIN**

**UNITED STATES SECURITIES)
AND EXCHANGE COMMISSION,)**

Plaintiff,)

v.)

**KOSS CORPORATION AND)
MICHAEL J. KOSS,)**

Defendants.)

Civil Action No.:

FINAL JUDGMENT AS TO DEFENDANT KOSS CORPORATION

The United States Securities and Exchange Commission (“Commission”), having filed a Complaint, and Defendant Koss Corporation (“Defendant”), having entered a general appearance, consented to the Court’s jurisdiction over Defendant and the subject matter of this action; consented to entry of this judgment (“Order”) without admitting or denying the allegations of the Complaint (except as to jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from this Order:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and its agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise are permanently restrained and enjoined from violating Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20, 13a-1, 13a-11 and 13a-13 [17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-11 and 240.13a-13] thereunder by filing materially inaccurate or misleading statements with the Commission in information or documents required to be filed with the Commission pursuant to Section 12 of the Exchange Act.

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and its agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise are permanently restrained and enjoined from violating Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §§ 78m(b)(2)(A) and 78m(b)(2)(B)] by failing:

- (a) to make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer;
- (b) to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that:
 - (i) transactions are executed in accordance with management's general or specific authorization;
 - (ii) transactions are recorded as necessary (I) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (II) to maintain accountability for assets;
 - (iii) access to assets is permitted only in accordance with management's general or specific authorization; and
 - (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

III.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent of Defendant is incorporated herein with the same force and effect as if fully set forth herein, and that Defendant shall comply with all of the undertakings and agreements set forth therein.

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Order.

V.

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

Dated:

UNITED STATES DISTRICT COURT

EXHIBIT B

**THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF WISCONSIN**

**UNITED STATES SECURITIES)
AND EXCHANGE COMMISSION,)**

Plaintiff,)

v.)

**KOSS CORPORATION and)
MICHAEL J. KOSS)**

Defendants.)

Civil Action No.:

CONSENT OF DEFENDANT MICHAEL J. KOSS

1. Defendant Michael J. Koss (“Defendant”) acknowledges having been served with the complaint, enters a general appearance, and admits the Court’s jurisdiction over Defendant and over the subject matter of this action.

2. Without admitting or denying the allegations of the Complaint (except as to personal and subject matter jurisdiction, which Defendant admits), Defendant hereby consents to the entry of the judgment in the form attached hereto (the “Order”) and incorporated by reference herein, which, among other things:

(a) permanently restrains and enjoins Defendant from aiding and abetting violations of Sections 13(a), 13(b)(2)(A), and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §§ 78m(a), 78m(b)(2)(A), 78m(b)(2)(B)] and Rules 12b-20, 13a-1, 13a-11 and 13a-13 [17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-11, and 240.13a-13] and from violating Exchange Act Rule 13a-14 [§ 240.13a-14]; and

(b) orders Defendant to reimburse Koss Corporation (Koss) for \$242,419 in cash and 160,000 of options pursuant to Section 304 of the Sarbanes-Oxley Act, 15

U.S.C. Section 7243. This bonus reimbursement, together with his previous voluntary reimbursement of bonus amounting to \$208,895 represents Defendant's entire fiscal year 2008, 2009 and 2010 incentive bonuses.

3. Defendant shall satisfy his reimbursement obligation by: (1) paying to Koss \$242,419 within 30 days of the entry of the Order; and (2) forfeiting to Koss his 160,000 options granted to him in July 2009 within 30 days of the Order. Defendant shall deliver to counsel for Plaintiff Securities and Exchange Commission proof of satisfying this reimbursement obligation and his previous voluntary reimbursement of \$208,895.

4. Defendant waives the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure.

5. Defendant waives the right, if any, to a jury trial and to appeal from the entry of the Order.

6. Defendant enters into this Consent voluntarily and represents that no threats, offers, promises, or inducements of any kind have been made by the Commission or any member, officer, employee, agent, or representative of the Commission to induce Defendant to enter into this Consent.

7. Defendant agrees that this Consent shall be incorporated into the Order with the same force and effect as if fully set forth therein.

8. Defendant will not oppose the enforcement of the Order on the ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and hereby waives any objection based thereon.

9. Defendant waives service of the Order and agrees that entry of the Order by the Court and filing with the Clerk of the Court will constitute notice to Defendant of its terms and

conditions. Defendant further agrees to provide counsel for the Commission, within thirty days after the Order is filed with the Clerk of the Court, with an affidavit or declaration stating that Defendant has received and read a copy of the Order.

10. Consistent with 17 C.F.R. § 202.5(f), this Consent resolves only the claims asserted against Defendant in this civil proceeding. Defendant acknowledges that no promise or representation has been made by the Commission or any member, officer, employee, agent, or representative of the Commission with regard to any criminal liability that may have arisen or may arise from the facts underlying this action or immunity from any such criminal liability. Defendant waives any claim of Double Jeopardy based upon the settlement of this proceeding, including the imposition of any remedy or civil penalty herein. Defendant further acknowledges that the Court's entry of a permanent injunction may have collateral consequences under federal or state law and the rules and regulations of self-regulatory organizations, licensing boards, and other regulatory organizations. Such collateral consequences include, but are not limited to, a statutory disqualification with respect to membership or participation in, or association with a member of, a self-regulatory organization. This statutory disqualification has consequences that are separate from any sanction imposed in an administrative proceeding. In addition, in any disciplinary proceeding before the Commission based on the entry of the injunction in this action, Defendant understands that they shall not be permitted to contest the factual allegations of the Complaint in this action.

11. Defendant understands and agrees to comply with the Commission's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegation in the Complaint or order for proceedings." 17 C.F.R. § 202.5. In compliance with this policy, Defendant agrees: (i) not to take any action or to make or permit to

be made any public statement denying, directly or indirectly, any allegation in the Complaint or creating the impression that the Complaint is without factual basis; and (ii) that upon the filing of this Consent, Defendant hereby withdraws any papers filed in this action to the extent that they deny any allegation in the Complaint. If Defendant breaches this agreement, the Commission may petition the Court to vacate the Order and restore this action to its active docket. Nothing in this paragraph affects Defendant's: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which the Commission is not a party.

12. Defendant hereby waives any rights under the Equal Access to Justice Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to seek from the United States, or any agency, or any official of the United States acting in his or her official capacity, directly or indirectly, reimbursement of attorney's fees or other fees, expenses, or costs expended by Defendant to defend against this action. For these purposes, Defendant agrees that Defendant is not the prevailing party in this action since the parties have reached a good faith settlement.

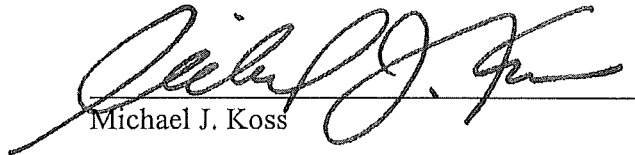
13. In connection with this action and any related judicial or administrative proceeding or investigation commenced by the Commission or to which the Commission is a party, Defendant: (i) agrees to appear and be interviewed by Commission staff at such times and places as the staff requests upon reasonable notice; (ii) will accept service by mail or facsimile transmission of notices or subpoenas issued by the Commission for documents or testimony at depositions, hearings, or trials, or in connection with any related investigation by Commission staff; (iii) appoints Defendant's undersigned attorney as an agent to receive service of such notices and subpoenas; (iv) with respect to such notices and subpoenas, waives the territorial limits on service contained in Rule 45 of the Federal Rules of Civil Procedure and any applicable

local rules, provided that the party requesting the testimony reimburses Defendant's travel, lodging, and subsistence expenses at the then-prevailing U.S. Government per diem rates; and (v) consents to personal jurisdiction over Defendant in any United States District Court for purposes of enforcing any such subpoena.

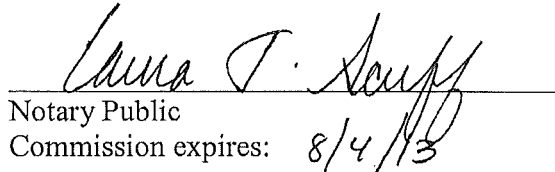
14. Defendant agrees that the Commission may present the Order to the Court for signature and entry without further notice.

15. Defendant agrees that this Court shall retain jurisdiction over this matter for the purpose of enforcing the terms of the Order.

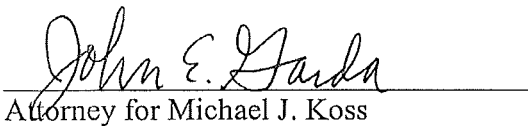
Dated: 10.5.11

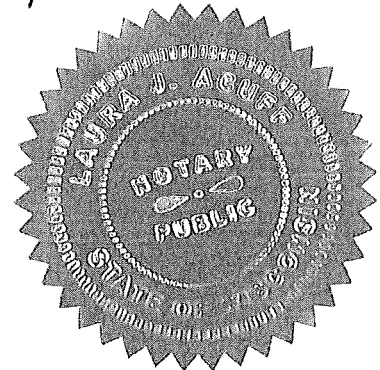

Michael J. Koss

On OCTOBER 5, 2011, Michael Koss, a person known to me, personally appeared before me and acknowledged executing the foregoing Consent.


Notary Public
Commission expires: 8/4/13

Approved as to form:


Attorney for Michael J. Koss



**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF WISCONSIN**

UNITED STATES SECURITIES)	
AND EXCHANGE COMMISSION,)	
)	
Plaintiff,)	
)	
v.)	Civil Action No.:
)	
KOSS CORPORATION AND)	
MICHAEL J. KOSS,)	
)	
Defendants.)	

FINAL JUDGMENT AS TO DEFENDANT MICHAEL J. KOSS

The United States Securities and Exchange Commission (“Commission”), having filed a Complaint, and Defendant Michael J. Koss (“Defendant”), having entered a general appearance, consented to the Court’s jurisdiction over Defendant and the subject matter of this action; consented to entry of this judgment (“Order”) without admitting or denying the allegations of the Complaint (except as to jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from this Order:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and his agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise are permanently restrained and enjoined from aiding and abetting any violation of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20, 13a-1, 13a-11 and 13a-13 [17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-11 and 240.13a-13] thereunder by knowingly providing substantial assistance to an issuer that files materially inaccurate or misleading statements with the

Commission in information or documents required to be filed with the Commission pursuant to Section 12 of the Exchange Act.

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and his agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise are permanently restrained and enjoined from aiding and abetting any violations of Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §§ 78m(b)(2)(A) and 78m(b)(2)(B)] by knowingly providing substantial assistance to an issuer in failing:

- (a) to make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer;
- (b) to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that:
 - (i) transactions are executed in accordance with management's general or specific authorization;
 - (ii) transactions are recorded as necessary (I) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (II) to maintain accountability for assets;
 - (iii) access to assets is permitted only in accordance with management's general or specific authorization; and

- (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

III.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Exchange Act Rule 13a-14 [17 C.F.R. § 240.13a-14] by failing to include certifications in the form required by the rule or including certifications that are false.

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant is ordered to reimburse Koss Corporation (Koss) for \$242,419 in cash and 160,000 of options pursuant to Section 304 of the Sarbanes-Oxley Act, 15 U.S.C. Section 7243. This bonus reimbursement, together with his previous voluntary reimbursement of bonus amounting to \$208,895 represents Defendant's entire fiscal year 2008, 2009 and 2010 incentive bonuses. Defendant shall satisfy his reimbursement obligation by: (1) paying to Koss \$242,419 within 30 days of the entry of this Final Judgment; and (2) forfeiting to Koss his 160,000 options granted to him in July 2009 within 30 days of this Final Judgment. Defendant shall deliver to counsel for Plaintiff Securities and Exchange Commission proof of satisfying this reimbursement obligation and his previous voluntary reimbursement of \$208,895.

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant shall not seek indemnification from Koss or any other entity or person for the payments required by this Final Judgment.

VI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent of Defendant is incorporated herein with the same force and effect as if fully set forth herein, and that Defendant shall comply with all of the undertakings and agreements set forth therein.

VII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Order.

VIII.

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

Dated:

UNITED STATES DISTRICT COURT

EXHIBIT C

**THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF WISCONSIN**

**UNITED STATES SECURITIES)
AND EXCHANGE COMMISSION,)**

Plaintiff,)

v.)

**KOSS CORPORATION and)
MICHAEL J. KOSS,)**

Defendants.)

Civil Action No. 2:11-cv-00991

FINAL JUDGMENT AS TO DEFENDANT KOSS CORPORATION

The United States Securities and Exchange Commission (“Commission”), having filed a Complaint, and Defendant Koss Corporation (“Defendant”), having entered a general appearance, consented to the Court’s jurisdiction over Defendant and the subject matter of this action; consented to entry of this judgment (“Order”) without admitting or denying the allegations of the Complaint (except as to jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from this Order:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and its agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise are permanently restrained and enjoined from violating Section 13(a) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78m(a)] and Rules 12b-20, 13a-1, 13a-11 and 13a-13 [17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-11 and 240.13a-13] thereunder by filing materially

inaccurate or misleading statements with the Commission in information or documents required to be filed with the Commission pursuant to Section 12 of the Exchange Act.

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and its agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise are permanently restrained and enjoined from violating Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §§ 78m(b)(2)(A) and 78m(b)(2)(B)] by failing:

- (a) to make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer;
- (b) to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that:
 - (i) transactions are executed in accordance with management's general or specific authorization;
 - (ii) transactions are recorded as necessary (I) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (II) to maintain accountability for assets;
 - (iii) access to assets is permitted only in accordance with management's general or specific authorization; and

- (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

III.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent of Defendant is incorporated herein with the same force and effect as if fully set forth herein, and that Defendant shall comply with all of the undertakings and agreements set forth therein.

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Order.

V.

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

Dated:

UNITED STATES DISTRICT COURT

EXHIBIT D

**THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF WISCONSIN**

**UNITED STATES SECURITIES)
AND EXCHANGE COMMISSION,)**

Plaintiff,)

v.)

Civil Action No. 2:11-cv-00991

**KOSS CORPORATION and)
MICHAEL J. KOSS,)**

Defendants.)

FINAL JUDGMENT AS TO DEFENDANT MICHAEL J. KOSS

The United States Securities and Exchange Commission (“Commission”), having filed a Complaint, and Defendant Michael J. Koss (“Defendant”), having entered a general appearance, consented to the Court’s jurisdiction over Defendant and the subject matter of this action; consented to entry of this judgment (“Order”) without admitting or denying the allegations of the Complaint (except as to jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from this Order:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and his agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise are permanently restrained and enjoined from aiding and abetting any violation of Section 13(a) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78m(a)] and Rules 12b-20, 13a-1, 13a-11 and 13a-13 [17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-11 and 240.13a-13] thereunder by knowingly providing substantial assistance to an issuer that files materially inaccurate or

misleading statements with the Commission in information or documents required to be filed with the Commission pursuant to Section 12 of the Exchange Act.

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and his agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise are permanently restrained and enjoined from aiding and abetting any violations of Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §§ 78m(b)(2)(A) and 78m(b)(2)(B)] by knowingly providing substantial assistance to an issuer in failing:

- (a) to make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer;
- (b) to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that:
 - (i) transactions are executed in accordance with management's general or specific authorization;
 - (ii) transactions are recorded as necessary (I) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (II) to maintain accountability for assets;
 - (iii) access to assets is permitted only in accordance with management's general or specific authorization; and

- (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

III.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Exchange Act Rule 13a-14 [17 C.F.R. § 240.13a-14] by failing to include certifications in the form required by the rule or including certifications that are false.

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant is ordered to reimburse Koss Corporation ("Koss") for \$242,419 in cash and 160,000 of options pursuant to Section 304 of the Sarbanes-Oxley Act [15 U.S.C. § 7243]. This bonus reimbursement, together with his previous voluntary reimbursement of bonus amounting to \$208,895 represents Defendant's entire fiscal year 2008, 2009 and 2010 incentive bonuses. Defendant shall satisfy his reimbursement obligation by: (1) paying to Koss \$242,419 within 30 days of the entry of this Final Judgment; and (2) forfeiting to Koss his 160,000 options granted to him in July 2009 within 30 days of this Final Judgment. Defendant shall deliver to counsel for Plaintiff Securities and Exchange Commission proof of satisfying this reimbursement obligation and his previous voluntary reimbursement of \$208,895.

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant shall not seek indemnification from Koss or any other entity or person for the payments required by this Final Judgment.

VI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent of Defendant is incorporated herein with the same force and effect as if fully set forth herein, and that Defendant shall comply with all of the undertakings and agreements set forth therein.

VII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Order.

VIII.

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

Dated:

UNITED STATES DISTRICT COURT