UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-QSB

(Mark One)

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

For the quarterly period ended March 31, 1998

OR

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

For the transition period from _______________ to _______________

Commission file number: 0-17219

GENTNER COMMUNICATIONS CORPORATION
(Exact name of registrant as specified in its charter)

UTAH	87-0398877
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
1825 RESEARCH WAY, SALT LAKE CITY, UTAH	84119
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (801) 975-7200

- ---
(Former name, former address and former fiscal year, if changed since last report.)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act 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.

[X] Yes [ ] No

State the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.

CLASS OF COMMON STOCK	MAY 7, 1998
$0.001 PAR VALUE	7,698,023 SHARES

Transitional Small Business Disclosure Format
(check one)

[ ] Yes [X] No

GENTNER COMMUNICATIONS CORPORATION

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GENTNER COMMUNICATIONS CORPORATION

BALANCE SHEETS

	(UNAUDITED) MARCH 31, 1998	JUNE 30, 1997
ASSETS		
Current assets:		
Cash and cash equivalents	$ 59,904	$ 63,992
Accounts receivable	1,703,461	1,682,254
Inventory	3,637,120	2,668,761
Other current assets	240,480	136,177
Total current assets	5,640,965	4,551,184
Property and equipment, net	2,448,470	2,493,287
Related party note receivable	132,345	139,000
Other assets, net	96,395	152,383
Total assets	$ 8,318,175	$ 7,335,854
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Notes payable	$ 560,342	$ 722,997
Accounts payable	617,082	471,072
Accrued expenses	649,613	356,446
Current portion of long-term debt	278,195	257,164
Current portion of capital lease obligations	243,961	254,951
Total current liabilities	2,349,193	2,062,630
Long-term debt	476,912	687,274
Capital lease obligations	808,702	784,354
Total liabilities	3,634,807	3,534,258
Shareholders' equity:		
Common stock, 50,000,000 shares authorized, par value $.001, 7,697,368 and 7,663,405 shares issued and outstanding at March 31, 1998 and June 30, 1997	7,697	7,663
Additional paid-in capital	4,449,059	4,423,482
Retained earnings (accumulated deficit)	226,612	(629,549)
Total shareholders' equity	4,683,368	3,801,596
Total liabilities and shareholders' equity	$ 8,318,175	$ 7,335,854

See accompanying notes

GENTNER COMMUNICATIONS CORPORATION

STATEMENTS OF OPERATIONS

	(UNAUDITED) THREE MONTHS ENDED MARCH 31, 1998	1997
Net sales	$ 4,208,908	$ 3,340,279
Cost of goods sold	2,045,970	1,751,973
Gross profit	2,162,938	1,588,306
Operating expenses:		
Marketing and selling	846,125	936,304
General and administrative	546,045	590,199
Product development	352,338	309,987
Total operating expenses	1,744,508	1,836,490
Operating income (loss)	418,430	(248,184)
Other income (expense):		
Interest income	3,257	4,408
Interest expense	(62,757)	(49,571)
Other, net	1,529	4,377
Total other income (expense)	(57,971)	(40,786)
Income (loss) before income taxes	360,459	(288,970)
Provision for income taxes	--	--
Net income (loss)	$ 360,459	$ (288,970)
Basic earnings (loss) per common share	$ 0.05	$ (0.04)
Diluted earnings (loss) per common share	$ 0.04	$ (0.04)

See accompanying notes

GENTNER COMMUNICATIONS CORPORATION

STATEMENTS OF OPERATIONS

	(UNAUDITED) NINE MONTHS ENDED MARCH 31, 1998	1997
Net sales	$ 11,934,700	$ 9,838,158
Cost of goods sold	5,672,251	5,222,302
Gross profit	6,262,449	4,615,856
Operating expenses:		
Marketing and selling	2,352,336	2,747,481
General and administrative	1,891,539	1,488,153
Product development	996,658	737,128
Total operating expenses	5,240,533	4,972,762
Operating income (loss)	1,021,916	(356,906)
Other income (expense):		
Interest income	10,469	4,408
Interest expense	(187,108)	(123,558)
Other, net	10,883	(16,814)
Total other income (expense)	(165,756)	(135,964)
Income (loss) before income taxes	856,160	(492,870)
Provision for income taxes	--	--
Net income (loss)	$ 856,160	$ (492,870)
Basic earnings (loss) per common share	$ 0.11	$ (0.06)
Diluted earnings (loss) per common share	$ 0.11	$ (0.06)

See accompanying notes

GENTNER COMMUNICATIONS CORPORATION

CONDENSED STATEMENTS OF CASH FLOWS

	(UNAUDITED) NINE MONTHS ENDED MARCH 31, 1998	1997
Cash flows from operating activities:		
Cash received from customers	$ 11,905,707	$ 9,727,056
Cash paid to suppliers and employees	(10,978,904)	(8,918,092)
Interest received	10,469	1,227
Interest paid	(188,755)	(124,382)
Income taxes refunded (paid)	(900)	24,100
Net cash provided by operating activities	747,617	709,909
Cash flows from investing activities:		
Purchases of property and equipment	(243,730)	(742,931)
Issuance of note receivable	--	(139,745)
Decrease (increase) in other assets	17,987	(74,226)
Net cash used in investing activities	(225,743)	(956,902)
Cash flows from financing activities:		
Proceeds from stock option exercises	25,611	--
Net borrowings (repayments) under line of credit	(162,655)	196,329
Proceeds from issuance of long-term debt	--	425,195
Principal payments of capital lease obligations	(199,586)	(141,820)
Principal payments of long-term debt	(189,332)	(153,522)
Net cash (used in) provided by financing activities	(525,962)	326,182
Net (decrease) increase in cash	(4,088)	79,189
Cash at the beginning of the year	63,992	213,763
Cash at the end of the period	$ 59,904	$ 292,952
Supplemental disclosure of cash flow information:		
Property and equipment financed by capital leases	$ 212,945	$ 417,698

See accompanying notes

GENTNER COMMUNICATIONS CORPORATION

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1998
(UNAUDITED)

1. BASIS OF PRESENTATION

The accompanying unaudited financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-QSB of Regulation S-B. Accordingly, certain information and footnote disclosures normally included in complete financial statements have been condensed or omitted. These financial statements should be read in conjunction with the financial statements and footnotes thereto included in the Company's 1997 Annual Report and Form 10-KSB.

In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. The results of operations for interim periods are not necessarily indicative of the results of operations to be expected for the full year.

2. EARNINGS (LOSS) PER COMMON SHARE

Earnings (loss) per common share was calculated using the modified treasury stock method. The weighted average number of common shares outstanding was 8,129,428 and 7,662,375 respectively, for the three months ended March 31, 1998 and 1997. For the nine-month periods then ended, the amounts were 8,052,754 and 7,662,375, respectively. For the year ended June 30, 1997, stock options and warrants to purchase common stock have been excluded from the presented computation of per share amounts inasmuch as the effects are either immaterial or antidilutive.

In 1997, the Financial Accounting Standards Board issued Statement of Financial Accountings Standards No. 128, Earnings per Share. Statement 128 replaced the previously reported primary and fully diluted earnings per share with basic and diluted earnings per share. Unlike primary earnings per share, basic earnings per share excludes any dilutive effects of options, warrants, and convertible securities. Diluted earnings per share is very similar to the previously reported fully diluted earnings per share. The Company has adopted FAS 128. All earnings per share amounts for all periods have been presented, and where necessary, restated to conform to the Statement 128 requirements.

3. INVENTORY

Inventory is summarized as follows:

	(Unaudited) March 31, 1998	June 30, 1997
Raw Materials	$1,018,583	$ 897,481
Work in progress	1,074,329	648,712
Finished Goods	1,544,208	1,122,568
Total inventory	$3,637,120	$2,668,761

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

Results of Operations

Sales for the three months ended March 31, 1998 increased 26% compared to the same three-month period last year. This growth is primarily due to a 36% increase in Teleconferencing operations (including both product and service). Year-to-date sales increased 21% as compared to the same nine-month period in the previous year. Year-to-date growth is also due to sales increases in Teleconferencing operations.

Sales in Teleconferencing operations increased 36% comparing third quarter of this fiscal year to the same quarter last year. This increase is due to increased sales in the Company's Teleconferencing Service, which experienced a 88% sales growth over the same quarter last fiscal year. This increase in sales is a result of the Company expanding its sales staff, who are aggressively marketing its conference calling service. Continued strong sales of Teleconferencing products also contributed to Teleconferencing operations growth. The Teleconferencing operations increased 47% comparing the nine-month period ending March 31, 1998 to the same period last year. The Teleconferencing Service sales increased 133% year-to-date as compared to the same period of the prior year, due to the increase in product sales.

Broadcast sales increased 20% in the third quarter of this year as compared to the third quarter of last year. While the domestic market for telephone interface products may be shrinking due to radio and television station consolidation, the Company has experienced sales growth internationally for its telephone interface products. The Company's line of new telephone hybrids has counteracted the effects of the shrinking domestic market. Telephone hybrids are used to connect telephone line audio to professional audio equipment. In Remote Management Systems (historically referred to as Remote Site Control), the Company saw GSC3000 sales increase significantly when comparing third quarters, year over year. GSC3000 monitors and adjusts the settings at one or more remote sites using one networked system. Additionally, using the GSC3000 an engineer can manually adjust the settings at the remote site via a telephone or a personal computer, if necessary. The growth in the Remote Management Systems product line can be attributed to ongoing software improvements, the new voice interface module for the GSC3000, and the increasing awareness of the diverse applications for these products. The voice interface allows an engineer to call the remote equipment from any telephone, check on its status, and make adjustments using only the telephone. Sales in Broadcast operations increased 6% year-to-date as compared to the same period last year. This increase is due to the growth in Remote Management Systems.

Assistive Listening Systems products continue to show sales growth. ALS sales grew 45% for the three-month period ended March 31, 1998 as compared to the same period last year. This increase is a result of product enhancements and additional OEM agreements with companies that want the Company to produce their private label ALS products. ALS sales grew 40% for the nine-month period ended March 31, 1998 as compared to the same period ending March 31, 1997. The year-to-date growth is also due to product enhancements and additional OEM agreements.

The Company's gross profit margin percentage was 51% for the third quarter of this year, compared to 48% for the same quarter last year. This increase is primarily due to price increases at the beginning of this fiscal year, aggressive vendor pricing, new products with higher gross profit margins, a different product mix, and a critical focus on improving manufacturing processes. The Company's rapidly expanding conference calling service has a lower gross profit margin than its manufacturing operations. As conference calling becomes a higher percentage of total sales, this could negatively impact the Company's overall gross profit margin. Year-to-date gross profit margin is 52% as compared to 47% for the same period last year. The increase in the year-to-date gross profit margin is also due to price increases at the beginning of this fiscal year, aggressive vendor pricing, new products with higher gross profit margins, a different product mix, and a critical focus on improving manufacturing processes.

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

Results of Operations (continued)

Operating expenses for the quarter decreased 5% when comparing the same periods of this year to last year. One of the most significant portions of this decline came in Sales & Marketing expenses, which decreased 10% comparing third quarter this year to third quarter last year. Year-to-date operating expenses grew 5% when comparing the same periods of this year to last year. Growth in year-to-date operating expenses resulted from the severance package associated with the departure of the Company's prior President and Chief Executive Officer (the "CEO Severance Package"), and increased expenses in the Product Development area.

Sales and Marketing third quarter expenses decreased 10% over the prior year's third quarter. This decrease is primarily due to the Company bringing all advertising development and expenditures in house. Additionally, last year, the Company had significant advertising expenses associated with a national campaign for its conference calling service. There was also a decrease of 14% when comparing year-to-date expenses for this year to the same period last year. This decrease is also due to the reduction of advertising expenses, as well as the closing of the Company's California and New Jersey offices.

Third quarter General and Administrative expenses are down 7% compared to the same period last year. This third quarter decrease is primarily due to the reduction of personnel. The year-to-date expenses are up 27% when comparing fiscal 1998 to the same period last year. The year-to-date increase is due to the CEO Severance Package, and the Company's move to an expanded facility in November 1996. This facility is about twice the size of the Company's former facility, which has resulted in an increase in occupancy costs. The increase is also due to the Company writing off certain deferred expenses associated with the Company's warrants that expired in September of 1997.

Product Development expenses increased 14% in the third quarter of this fiscal year compared to the third quarter last year. This increase is a result of increased personnel and product compliance activities. It also increased 35% year-to-date, compared to last year-to-date. This increase is essentially due to hiring additional engineers to facilitate product development.

Interest expense for the quarter is up 27% compared to the same quarter last year. This increase is due to higher debt balances at the end of the third quarter of 1998 as compared to the end of the third quarter of 1997. The facility expansion was financed through leases and notes that were established in the third and fourth quarters of last fiscal year. Interest expense increased 51% for the nine-month period ending March 31, 1998 as compared to the same period last year. This increase was also due to increased debt balances to finance the facility expansion.

Financial Condition and Liquidity

The Company's current ratio increased from 2.21:1 on June 30, 1997 to 2.40:1 on March 31, 1998. This increase in current ratio was caused primarily by an increase in inventory. Inventory increased because of raw material purchases and elevated levels of work-in-process for a new product line that the Company began shipping in April of 1998. That new product is the AP800, an audioconferencing system which combines echo cancellation, audio processing, microphone mixing and audio network control in one unit. The Company expects the inventory to decrease as orders for the AP800 are filled. Other factors affecting the current ratio include a decrease in the outstanding balance on the Company's line-of-credit account.

The Company has an outstanding line of credit of $2.0 million, which is secured by the Company's accounts receivable. The interest rate on the line is a variable interest rate (anywhere from three to five basis points

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

Financial Condition and Liquidity (continued)

over the London Interbank Offered Rate (LIBOR)). As of March 31, 1998 the outstanding balance was $560,000 and the interest rate was 9.68%. This line has a one-year term, expiring in December of 1998.

The Company continues to experience strong operating cash flows. Increasing sales and profitability have contributed to positive operating cash flows. As sales continue to increase, the Company expects to achieve its business plan through a combination of internally generated funds and short-term or long-term borrowings, if necessary.

Forward Looking Statements and Risk Factors

To the extent any statement presented herein deals with information that is not historical, such statement is necessarily forward looking. As such, it is subject to occurrence of many events outside of the Company's control. Please see a detailed list of the risk factors that are outlined in the Company's 1997 Annual Report and Form 10-KSB.

PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibits Required by Item 601 of Regulation S-B

The following exhibit is hereby incorporated by reference from the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 1989. The exhibit number shown as appeared in the 1989 Form 10-K as originally filed.

EXHIBIT NUMBER	DESCRIPTION
3.1*+	Articles of Incorporation and all amendments thereto through March 1, 1998. (Page 10)

The following exhibit is hereby incorporated by reference from the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 1989. The exhibit number shown as appeared in the 1989 Form 10-K as originally filed.

EXHIBIT NUMBER	DESCRIPTION
3.1*+	Amendment to Articles of Incorporation, dated July 1, 1991.

The following exhibit is hereby incorporated by reference from the Company's Form 10-KSB for the fiscal year ended June 30, 1993. The exhibit number shown as appeared in the 1993 Form 10-KSB as originally filed.

EXHIBIT NUMBER	DESCRIPTION
3*+	Bylaws, as amended on August 24, 1993. (Page 16)

The following document is filed as an Exhibit to this Form 10-QSB.

EXHIBIT NUMBER	DESCRIPTION
10	Severance Agreement between Russell D. Gentner and the Company, dated as of December 12, 1997.

* Denotes exhibits specifically incorporated in this Form 10-KSB by reference to other filings pursuant to the provisions of Rule 12B-32 under the Securities Exchange Act of 1934.

+ Denotes exhibits specifically incorporated into this Form 10-KSB by reference (and their page location in such filing), pursuant to Regulation S B, Section 228. These documents are located under File No. 0-17219 and are located at the Securities and Exchange Commission, Public Reference Branch, 450 5th St., N.W., Washington, DC 20549.

(b) Reports on Form 8-K

None

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 duly authorized.

GENTNER COMMUNICATIONS CORPORATION

/s/ Susie Strohm

Susie Strohm
Vice President, Finance

Date: May 7, 1998

EXHIBIT 10

SEVERANCE AGREEMENT

This Severance Agreement (the "Agreement") is entered into effective as of the 12th day of December, 1997, by and between Gentner Communications Corporation, a Utah corporation (the "Company"), and Russell D. Gentner, a resident of the State of Utah ("Mr. Gentner").

WHEREAS, Mr. Gentner has been the Chairman of the Board of Directors ("Chairman"), President, Chief Executive Officer of the Company, and a Director of the Company; and

WHEREAS, the Board of Directors of the Company and Mr. Gentner have negotiated the terms and conditions of Mr. Gentner's departure from all Company offices and the Board of Directors, on the terms set forth in this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Resignation from All Offices. Mr. Gentner hereby resigns as President and Chief Executive Officer of the Company, as of the date hereof. Mr. Gentner will resign as a Director and as Chairman effective the date of the Closing (as defined below).

2. Severance Package. In connection with the termination of Mr. Gentner's relationship with the Company, the Company has delivered or will deliver at or prior to the Closing, the following items described in this Section 2:

2.1 Mr. Gentner has received $38,261.30 in salary between the date of this Agreement and the Closing. At the Closing, he will receive an additional $15,692.64 in salary ("Additional Salary"); thereafter, he will receive no further salary or bonus from the Company;

2.2 Mr. Gentner will retain his split dollar life insurance policy and the Company will release its lien thereon as of the Closing;

2.3 The Company will transfer to Mr. Gentner the title to the 1993 Nissan Pathfinder that the Company currently provides to Mr. Gentner;

2.4 The Micron lap top computer issued and the cellular phone and electronic organizer previously issued to Mr. Gentner as an employee, all right, title and interest thereto to pass automatically to Mr. Gentner at the Closing without further action of the parties; and

2.5 The parties agree that the value of the items set forth in Sections 2.3 and 2.4 is $13,000.00.

3. Acknowledgment of Payments. Mr. Gentner acknowledges that, as of the date hereof, he has received full and complete payment to him of all salary, benefits, accrued vacation days, insurance payments, and other entitlements earned by Mr. Gentner in connection with his employment through December 12, 1997 except for normal employee withholdings. Mr. Gentner further acknowledges that he is not entitled to any other payments from the Company, except as set forth herein. The Company acknowledges that Mr. Gentner is not obligated to the Company for further payments or the return of Company property to which he is not entitled.

4. Confidential Information. Mr. Gentner acknowledges that he is bound by an obligation of confidentiality to the Company. To the extent that Mr. Gentner possesses materials containing confidential information of the Company he has, or as of the Closing will, return such materials to the Company.

5. Inventions. Mr. Gentner hereby assigns all "employment inventions", if any, to the Company that he has developed in the course of this employment by the Company. Mr. Gentner will execute all instruments as may be reasonably requested by the Company to give full effect to the assignment set forth in this section. For purposes hereof, "employment inventions" shall have the meaning set forth in Section 34-39-2 of the Utah Employment Inventions Act.

6. Covenant Not to Compete.

6.1 Mr. Gentner agrees that from the date hereof through June 30, 1998 (the "Non-Compete Period"), he will not compete with the Company. For purposes hereof, "compete" means owning, managing, operating or controlling, or participating in the ownership, management, operation or control, or being connected with or having any interest in, as a stockholder, director, officer, employee, agent, consultant, sole proprietor, partner or otherwise, of any business (other than the Company) which markets and sells the following products or services: teleconferencing echo cancellation products including products directly competing with the AP-800, broadcast telephone products, remote site control products, assistive listening products, and conference calling services (each, a "Competing Business"). Provided, however, that this prohibition shall not apply to ownership of less than one percent (1%) of the voting stock in companies whose stock is traded on a national securities exchange or in the over the counter market. Additionally, during the Non-Compete Period, Mr. Gentner agrees that he will not solicit employees of the Company for the purpose of inducing them to leave the Company's employ. During the Non-Compete Period, Mr. Gentner agrees that he will not solicit the Company's customers, sales representatives, and dealers for the purpose of providing them with products or services competing with those of the Company described above.

6.2 Mr. Gentner may not use the name "Gentner" as a part of the name, "dba", "aka", or otherwise, in any Competing Business. However, in the event the Company ceases to use the name "Gentner" in the name of the Company and as a brand name, Mr. Gentner may freely use the name "Gentner" at any time subsequent to 24 months after the Company ceases final use of the name. In the event that Mr. Gentner thereafter uses the name the Company may not revert to the use of the name "Gentner". In addition, Mr. Gentner hereby grants to the Company an irrevocable license to the use of the name "Gentner". Such license shall cover any and all intellectual property rights that Mr. Gentner may have in the name "Gentner", including common law or registered trademarks, whether now existing or hereafter obtained. The Company agrees that it will only use the "Gentner" name in association with products and services of a high quality.

7. Release of Claims.

7.1 Mr. Gentner, on behalf of himself and each of his partners, affiliates, associates, agents, representatives, predecessors, successors, and assigns, past, present, and future, hereby releases and forever discharges the Company and each of its respective affiliates, associates, officers, directors, shareholders, employees, attorneys, accountants, insurers, agents, representatives, predecessors, successors, and assigns, past, present, and future, from any and all legal claims, demands, liens, agreements, contracts, covenants, actions, suits, causes of action, obligations, controversies, debts, costs, expenses, damages, judgments, orders, and liabilities of whatever kind or nature in law, equity, or otherwise, whether now known or unknown, suspected or unsuspected, concealed or hidden, of any kind or nature whatsoever arising from his separation from the Company, employment by the Company, service as a director and officer of the Company, and for which Mr. Gentner had actual knowledge.

7.2 The Company on behalf of itself, board of directors, officers, its employees, attorneys, accountants, insurers, associates, agents, representatives, predecessors, successors, and assigns, past present, and future, hereby releases and forever discharges Mr. Gentner from any and all legal claims, demands, liens, agreements, contracts, covenants, actions, suits, causes of action, obligations, controversies, debts, costs, expenses, damages, judgments, orders, and liabilities of whatever kind or nature in law, equity, or otherwise, arising from Mr. Gentner's service to the Company as an employee, officer, director or shareholder, and of which the Board of Directors had actual knowledge.

8. Closing and Conditions to Closing.

8.1 The "Closing" of the matters described herein shall occur at the offices of Jones, Waldo, Holbrook & McDonough, P.C. on April 15, 1998 at 5:00 P.M., or such other date and time mutually agreeable to the parties.

8.2 The Company's conditions to Closing are as follows:

8.2.1 execution and delivery of this Agreement;

8.2.2 the simultaneous closing of the transactions described in and contemplated by that certain Stock and Options Purchase Agreement between Mr. Gentner and E. Christine Gentner, as the "Seller" thereunder, and Edward Dallin Bagley as the "Purchaser" thereunder (the "Purchase

Agreement"), pursuant to which Mr. Gentner (and E. Christine Gentner, as applicable) will sell all Shares and Options (as defined therein) held by them in the Company to Purchaser;

8.2.3 receipt of Mr. Gentner's resignation from the Board of Directors dated as of the date hereof; and

8.2.4 approval of this Agreement by the Board of Directors of the Company.

8.3 Mr. Gentner's conditions to Closing are as follows:

8.3.1 execution and delivery of this Agreement;

8.3.2 the simultaneous closing of the transactions set forth in the Purchase Agreement;

8.3.3 delivery of a payroll check for the Additional Salary;

8.3.4 delivery of the title or other mutually acceptable instruments for the Nissan Pathfinder described in Section 2.3, above;

8.3.5 execution and delivery of the Written Consent of the Compensation Committee of the Board of Directors; and

8.3.6 a letter from the Company Vice President for Finance stating that the Company's lien described in Section 2.2, above, is released.

9. Post-Separation Actions. The parties desire to provide for an amicable separation and, accordingly, covenant and agree that after the date hereof they shall not do anything to disparage or impair the business or business reputation of the other party. In this regard, the parties have agreed to the statement attached hereto as Exhibit A. The preceding sentences shall not preclude either party from making legally required disclosures. The parties agree that liquidated damages of $5,000 per incident shall apply to a breach of this Section.

10. Miscellaneous.

10.1 Non-Assignment of Claims. Mr. Gentner and the Company represent and warrant that they have not assigned or transferred or attempted to assign or transfer to anyone any right, suit, demand, action, or cause of action based upon or arising out of or pertaining to or concerning or connected with any of the matters or things released herein. Each party shall indemnify and hold harmless the other from and against any and all actions or causes of action based upon or arising in connection with any such assignment or transfer or any attempted assignment or transfer or any such action or other matter.

10.2 Notices. All notices and other communications given hereunder shall be deemed to have been duly given when delivered in person, by mail (registered or certified postage prepaid, return receipt requested) by telefax, or by overnight courier, to the respective parties, as follows

To the Company: Gentner Communications Corporation
1825 Research Way
Salt Lake City, UT 84119
Fax: 801-977-0087
Attention: Frances Flood, President

With a copy to: Jones, Waldo, Holbrook & McDonough, P.C.
170 South Main St., Suite 1500
Salt Lake City, UT 84101-1644
Fax: 801-328-0537
Attention: Ronald S. Poelman, Esq.

To Mr. Gentner: Russell D. Gentner
2534 Lark Spur Drive
Park City, UT 84068
Fax: 435-649-2610

With a copy to: Tesch, Thompson & Vance, L.C.
314 Main St., Suite 201
Park City, UT 84060-3390
Fax: 435-649-2561
Attention: Joseph Tesch, Esq.

Notice shall be deemed given on the date of delivery in person, on the date indicated on the return receipt in the case of notice by mail, and on the date of receipt of a correct electronic acknowledgment in the case of notice by telefax. Any party may change its address for notice by a notice duly given as aforesaid.

10.3 Entire Agreement. This Agreement constitutes the final agreement of the parties hereto in relation to the matters set forth herein and supersedes any prior written or oral negotiation, correspondence, or understandings relating to the matters contemplated herein.

10.4 Successors and Assigns. This Agreement shall be the obligation of Pledgor and shall be binding upon its respective heirs, personal representatives, successors, and permitted assigns. This Agreement may only be assigned with the consent of all of the parties hereto.

10.5 Attorneys' Fees. If any action is brought by either party to enforce the terms of this Agreement, the prevailing party shall be entitled to reimbursement from the non-prevailing party for all expenses incurred in connection with such action, including reasonable attorneys' fees.

10.6 Further Assurances. The parties intend this Agreement to be a complete and final settlement of all matters between them. Accordingly, each party agrees to execute such further documents and to take such further actions as may be necessary or desirable to finally and fully settle all matters which have arisen or which may subsequently arise between them.

10.7 Equitable Remedies. Each party acknowledges and agrees that the breach or threatened breach of certain provisions of this Agreement would cause irreparable harm for which damages at law would be an inadequate remedy. Accordingly, each party hereby agrees that, in any such instance, the threatened or injured party shall be entitled to seek injunctive or other equitable relief in addition to any other remedy to which he (or it) may be entitled, including money damages. Moreover, other than the right to seek immediate injunctive relief, the parties agree that all disputes and alleged breaches of this agreement shall first be submitted to binding arbitration Salt Lake City, Utah, in accordance with the applicable rules and regulations of the American Arbitration Association.

10.8 Severability. If any provision of this Agreement is found to be unenforceable by a court of competent jurisdiction, the remaining provisions shall nevertheless remain in full force and effect.

10.9 Entire Agreement. This Agreement constitutes the full and complete understanding of the parties hereto with respect to the subject matter covered herein and supersedes all prior oral or written understandings and agreements with respect thereto. No modification or amendment to this Agreement shall be effective unless it is contained in a written document that is signed by both parties.

10.10 Governing Law., This Agreement shall be governed and construed in accordance with the laws of the State of Utah.

IN WITNESS WHEREOF, the parties have each signed this Agreement either personally or by his (or its) duly authorized representative.

GENTNER COMMUNICATIONS CORPORATION

/s/ Russell D. Gentner — By: /s/ Frances M. Flood

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Russell D. Gentner — Frances M. Flood, President

EXHIBIT A

Gentner Communications Announces Change in Board of Directors

Salt Lake City, Utah -- Gentner Communications announced today that former Chief Executive Officer and President, Russell D. Gentner has resigned his position as Chairman and member of the Board of Directors, and is no longer associated with the Company in any way.

Mr. Gentner's resignation is effective immediately. A board meeting is scheduled in the near future.

Gentner Communications Corporation develops and manufactures audio solutions for the broadcast, teleconferencing, and assistive listening markets. Gentner's mission is to help build synergistic relationships between people who are geographically separated by providing customers with total audio solutions. The Company has a wide product and service mix featuring telephone interface products, audio conferencing products, assistive listening systems, and a nationwide conference calling service, 1-800-LETS-MEET(TM).

CONTACT:

Frances M. Flood, President
801-974-3651
fflood@gentner.com

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM (A) FORM
10-QSB FOR THE QUARTER ENDED MARCH 31, 1998.

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3-MOS
JUN-30-1998
JAN-01-1998
MAR-31-1998
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1,703,461
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3,637,120
5,640,965
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2,045,970
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62,757
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360,459
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0
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360,459
0.05
0.04