

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): January 21, 2003

ClearOne Communications, Inc.

(Exact Name of Registrant as Specified in its Charter)

UTAH

0-17219

87-0398877

(State or Other Jurisdiction
of Incorporation)

(Commission
File Number)

(IRS Employer
Identification Number)

1825 Research Way, Salt Lake City, Utah 84119

(Address of Principal Executive Offices) (Zip Code)

(801) 975-7200

(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

ClearOne Communications, Inc.

Form 8-K

Item 5. Other Events.

On January 15, 2003, ClearOne Communications, Inc. issued a press release reporting that, on that date, the U.S. Securities and Exchange Commission filed a complaint in United States District Court against ClearOne Communications, Inc., Francis Flood, ClearOne's CEO, and Susie Strom, ClearOne's CFO, alleging violations of federal securities laws.

An additional press release was issued on January 21, 2003, announcing that ClearOne had postponed its second quarter earnings release previously scheduled for January 23, 2003, as a result of the SEC complaint that alleges improper revenue recognition from sales to distributors. The press release also stated

that, at this time, ClearOne's financial statements for the fiscal years ended June 30, 2001 and June 30, 2002, and for the quarters ended March 31, 2001, through and including September 30, 2002 are under review. Investment decisions should not be made based on these financial statements, the auditors report thereon included in the company's Annual Report as filed on Form 10K, or on the guidance given by ClearOne on October 23, 2002, for the fiscal year ending June 23, 2003.

The January 21, 2003 press release also reported that Greg Rand, ClearOne's Chief Operations Officer, and Mike Keogh, ClearOne's Chief Strategy Officer, assumed the joint duties of acting co-chief executive officers, temporarily replacing Fran Flood, on January 18, 2003. Susie Strohm was also temporarily relieved of her duties as CFO. The company is seeking an interim chief financial officer, and in the meantime, members of ClearOne's accounting and treasury staff, acting under the direction of Rand and Keogh and the supervision of an independent accounting firm, will take on the duties previously performed by the CFO.

The January 15, 2003 press release is attached as Exhibit 99.1 to this Report on Form 8K and is incorporated by reference herein. The press release of January 21, 2003 is attached as Exhibit 99.2 and is also incorporated by reference.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

Exhibit No. -----	Description -----
99.1	Press Release issued by ClearOne on January 15, 2003.
99.2	Press Release issued by ClearOne on January 21, 2003.

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.

CLEARONE COMMUNICATIONS, INC.

January 21, 2003

/s/ Greg Rand

By: Greg Rand
Title: Acting Co-Chief Executive Officer

/s/ Mike Keogh

By: Mike Keogh
Title: Acting Co-Chief Executive Officer

EXHIBIT INDEX

Exhibit No. -----	Description -----
99.1	Press release dated January 15, 2003
99.2	Press release dated January 21, 2003

CONTACT: Bryce Benson, Investor/Media Relations
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SEC Files Complaint Against ClearOne

SALT LAKE CITY, Jan. 15, 2002--The U.S. Securities and Exchange Commission filed today a complaint against ClearOne Communications Inc. (Nasdaq: CLRO) in the United States Federal Court for the District of Utah alleging violations of the Securities Act of 1933 and the Securities Exchange Act of 1934. The complaint names ClearOne, its chief executive officer and chief financial officer as defendants.

ClearOne indicated that it has not yet had the opportunity to thoroughly review the complaint with its counsel and continues to conduct its own investigation of the matter.

ClearOne Communications is a provider of multimedia conferencing products and services that bring geographically dispersed people together--compressing time and distance. Product offerings include audio and video conferencing systems, peripherals and furniture. Service offerings include a full suite of audio, video and data conferencing services, and business services such as training, field support, help desk, and system consulting. On the Web: www.clearone.com.

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ClearOne Provides Update on SEC Complaint, Delays Second Quarter
Earnings Announcement, Announces Interim Management Team

SALT LAKE CITY, Jan. 21, 2003--ClearOne Communications Inc. (Nasdaq: CLRO) has postponed its second quarter earnings release previously scheduled for Jan. 23, 2003, as a result of the complaint filed by the U.S. Securities and Exchange Commission on Jan. 15, 2003. ClearOne also announced that its chief executive officer Frances Flood, and chief financial officer Susie Strohm, both named in the complaint, have been temporarily relieved of their duties at the Company.

The SEC's complaint includes allegations of improper revenue recognition from sales to distributors. ClearOne sells its products through many channels besides distributors, including conferencing services, business services, and various dealer sales channels.

Prior to receiving the SEC complaint, ClearOne's board of directors had commenced an investigation into the alleged financial statement violations. At this time, the Company's financial statements for the fiscal years ended June 30, 2001, and June 30, 2002, and for the quarters ended March 31, 2001, through and including Sept. 30, 2002, are under review. At this time, investment decisions should not be made based on these financial statements, or on the auditors' report included in the Company's 2002 Annual Report as filed on Form 10K. In addition, the guidance given by the Company on Oct. 23, 2002, for the fiscal year ending June 30, 2003, should be treated in the same manner.

The board has named Greg Rand, ClearOne's chief operating officer, and Mike Keough, chief strategy officer, as acting co-chief executive officers in the interim. The board is aggressively seeking to hire an interim chief financial officer. In the meantime, members of ClearOne's accounting and treasury staff, under the direction of Rand and Keough, and supervised by an independent accounting firm appointed by the board, will take on additional duties previously performed by the chief financial officer.

"We believe that the actions taken today are in the best interests of all of our stakeholders, including shareholders, employees, customers and suppliers," said Brad Baldwin, a member of ClearOne's board of directors. "We take the SEC's charges seriously and are committed to a swift internal investigation. Greg and Mike both have extensive business experience and we have every confidence that they will bring strong leadership to ClearOne in their co-CEO roles."

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Keough joined ClearOne in November 2002. He is a seasoned business executive with more than 25 years of sales, sales management, and executive management experience with high-technology industry leaders, including IBM, AT&T, Megahertz, U.S. Robotics, 3Com and Textron. Mike's extensive sales management background includes experience with distributors, retailers, catalog houses, value added resellers and original equipment manufacturer partners.

Rand joined ClearOne in August 2002 with more than 15 years of business management experience in planning, design, and continuous improvement of operating systems and transportation networks. Before joining ClearOne, he worked for Delta Air Lines in a variety of management positions, including as a management representative during Delta's recent collective bargaining process. He also had responsibilities for improving the operational efficiency and reliability of the Flight Operations department. In addition, he was coordinator of operations resource control for Delta Express, a business unit of Delta Air Lines.

"ClearOne is a company with a history of innovation," commented Greg Rand and Mike Keough, interim co-CEO's of ClearOne. "Our products are highly regarded in the industry and our employees are dedicated to excellence. As a team, we are committed to the highest levels of integrity and are focused on serving our business partners and customers."

Since the SEC complaint was received just last week, the Company is still in the investigation stage. As such, ClearOne has put as much information as possible in this press release and will not be holding a conference call to comment on the earnings delay or the SEC complaint. The Company is, however, committed to

communicating with its shareholders and will update the market at the earliest possibly time when more news is available. Any additional shareholder, analyst and press inquiries should be directed to ClearOne's investor relations department, which can be reached on 1-801-974-3786.

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