

**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) May 23, 2007

**RELM Wireless Corporation**

(Exact name of registrant as specified in its charter)

**Nevada**

(State or other jurisdiction of incorporation)

**000-07336**

(Commission File Number)

**59-34862971**

(IRS Employer Identification No.)

7100 Technology Drive, West Melbourne, FL

(Address of principal executive offices)

32904

(Zip Code)

Registrant's telephone number, including area code (321) 984-1414

**N/A**

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

## **Item 1.01 Entry into a Material Definitive Agreement**

On May 23, 2007, RELM Wireless Corporation (the “Registrant”), RELM Communications, Inc., the Registrant’s wholly-owned subsidiary, and Silicon Valley Bank, as lender, entered into the Sixth Amendment to Loan and Security Agreement (the “Amendment”) to the Loan and Security Agreement dated August 29, 2003 by and among the parties, pursuant to which the Registrant maintains a secured revolving credit facility with borrowing availability of up to \$3,500,000. The Amendment, among other things, replaces the net profit covenant that required the Registrant to maintain a cumulative net profit at the end of each quarter for 2007 with a tangible net worth covenant. The tangible net worth covenant requires that the Registrant maintain for each of the last three quarters of 2007 a Tangible Net Worth (as defined in the Amendment) of at least \$28,000,000, increasing by (a) 50% of quarterly profits and (b) 75% of the amount received in respect of issuances of equity and the principal amount of the issuance of Subordinated Debt (as defined in the Amendment), in each case received after April 1, 2007. As of May 23, 2007, there were no borrowings outstanding under the secured revolving credit facility. The secured revolving credit facility expires on January 1, 2008.

The foregoing summary of the Amendment is qualified in its entirety by reference to the Amendment filed herewith as Exhibit 10.1 and incorporated herein by this reference.

## **Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
10.1	Sixth Amendment to Loan and Security Agreement entered into as of May 23, 2007 by and among RELM Wireless Corporation, RELM Communications, Inc. and Silicon Valley Bank

## 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.

RELM WIRELESS CORPORATION

(Registrant)

By: /s/William P. Kelly

William P. Kelly

Executive Vice President and

Chief Financial Officer

Date: May 29, 2007

## Exhibit Index

Exhibit Number	Description
10.1	Sixth Amendment to Loan and Security Agreement entered into as of May 23, 2007 by and among RELM Wireless Corporation, RELM Communications, Inc. and Silicon Valley Bank

**SIXTH AMENDMENT TO  
LOAN AND SECURITY AGREEMENT**

THIS SIXTH AMENDMENT TO LOAN AND SECURITY AGREEMENT (this "Amendment") is entered into this 23<sup>rd</sup> day of May, 2007, by and among SILICON VALLEY BANK ("Bank"), RELM WIRELESS CORPORATION, a Nevada corporation ("Relm Wireless"), RELM COMMUNICATIONS, INC., a Florida corporation ("Relm Communications" and, together with Relm Wireless, the "Borrower") whose address is 7100 Technology Drive, West Melbourne, Florida 32904.

**RECITALS**

**A.** Bank and Borrower have entered into that certain Loan and Security Agreement dated as of August 29, 2003, as previously amended (as the same may from time to time be further amended, modified, supplemented or restated, the "Loan Agreement").

**B.** Bank has extended credit to Borrower for the purposes permitted in the Loan Agreement.

**C.** Borrower has requested that Bank amend the Loan Agreement to (i) delete the Net Profit covenant contained in Section 5 of the Amended and Restated Schedule to Loan and Security Agreement, (ii) replace such Net Profit covenant with a Tangible Net Worth covenant, and (iii) make certain other revisions to the Loan Agreement as more fully set forth herein.

**D.** Bank has agreed to so amend certain provisions of the Loan Agreement, but only to the extent, in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth below.

**AGREEMENT**

**NOW, THEREFORE**, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

**1. Definitions.** Capitalized terms used but not defined in this Amendment shall have the meanings given to them in the Loan Agreement.

**2. Amendments to Loan Agreement.**

**Section 5 (Financial Covenants).** Section 5 of the Amended and Restated Schedule to Loan and Security agreement is amended in its entirety and replaced with the following:

## FINANCIAL COVENANTS

(Section 5.1): Borrower shall comply with each of the following covenants. Compliance shall be determined as of the end of each month, except as otherwise specifically provided below:

**Tangible Net Worth:** Borrower shall maintain at all times, to be tested as of the last day of each quarter, on a consolidated basis with respect to Borrower and its Subsidiaries, a Tangible Net Worth of at least \$28,000,000, increasing by (a) 50% of quarterly profits, commencing with the quarter beginning April 1, 2007, and (b) 75% of the amount received in respect of issuances of equity and the principal amount of the issuance of Subordinated Debt, in each case received after April 1, 2007.

**Adjusted Quick Ratio:** Borrower shall maintain as of the end of each quarter an Adjusted Quick Ratio of at least 2:00 to 1.00.

**Definitions.** For purposes of the foregoing financial covenants, the following term shall have the following meaning:

“Adjusted Quick Ratio” means, as of any date, the ratio of (x) Quick Assets to (y) Current Liabilities less Deferred Revenues; where

“Quick Assets” are, on such date, the Borrower’s consolidated, unrestricted cash, cash equivalents, and net billed accounts receivable, all determined according to GAAP;

“Current Liabilities” are the aggregate amount of Borrower’s Total Liabilities which mature within one (1) year; and

“Total Liabilities” are, on any day, obligations that should, under GAAP, be classified liabilities on Borrower’s consolidated balance sheet, including all debt and current portion of subordinated debt allowed to be paid, but excluding all other subordinate debt.

“Deferred Revenue” is all amounts received in advance of performance under maintenance, licensing and service contracts and not yet recognized as revenue.

“Tangible Net Worth” is, on any date, the consolidated total assets of Borrower and its Subsidiaries minus (a) any amounts attributable to (i) goodwill, (ii) intangible items including

unamortized debt discount and expense, patents, trade and service marks and names, copyrights and research and development expenses except prepaid expenses, (iii) notes, accounts receivable and other obligations owing to Borrower from its officers or other Affiliates, and (iv) reserves not already deducted from assets, minus (b) Total Liabilities, plus (c) Subordinated Debt; where:

“Subordinated Debt” is indebtedness incurred by Borrower and subordinated to all of Borrower’s now or hereafter indebtedness to Bank (pursuant to a subordination, intercreditor, or other similar agreement in form and substance satisfactory to Bank entered into between Bank and the other creditor), on terms acceptable to Bank; and.

“Total Liabilities” is on any day, obligations that should, under GAAP, be classified as liabilities on Borrower’s consolidated balance sheet, including all Indebtedness, and current portion of Subordinated Debt permitted by Bank to be paid by Borrower.

Replacement of Compliance Certificate. The Compliance Certificate attached to the Amended and Restated Schedule to Loan Agreement is amended in its entirety and replaced with the Compliance Certificate attached hereto as Schedule 1.

### **3. Limitation of Amendments.**

The amendments set forth in **Section 2** above are effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right or remedy which Bank may now have or may have in the future under or in connection with any Loan Document.

This Amendment shall be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect.

**4. Representations and Warranties.** To induce Bank to enter into this Amendment, Borrower hereby represents and warrants to Bank as follows:

**4.1** Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents are true, accurate and complete in all material respects as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date), and (b) no Event of Default has occurred and is continuing;

**4.2** Borrower has the power and authority to execute and deliver this Amendment and to perform its obligations under the Loan Agreement, as amended by this Amendment;

**4.3** The organizational documents of Borrower delivered to Bank on the June 14, 2006, in the case of the bylaws of Relm Communications, and on August 29, 2003, in the case of all other organizational documents, remain true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect;

**4.4** The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, have been duly authorized;

**4.5** The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not and will not contravene (a) any law or regulation binding on or affecting Borrower, (b) any contractual restriction with a Person binding on Borrower, (c) any order, judgment or decree of any court or other governmental or public body or authority, or subdivision thereof, binding on Borrower, or (d) the organizational documents of Borrower;

**4.6** The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on Borrower, except as already has been obtained or made; and

**4.7** This Amendment has been duly executed and delivered by Borrower and is the binding obligation of Borrower, enforceable against Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

**5. Counterparts.** This Amendment may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

**6. Effectiveness.** This Amendment shall be deemed effective upon (a) the due execution and delivery to Bank of this Amendment by each party hereto, (b) Borrower's payment of an amendment fee in an amount equal to \$5,000, (c) Bank's receipt of the such other documents, agreements and instruments as it may require, each in form and substance satisfactory to the Bank in its sole discretion, and (d) payment of Bank's legal fees and expenses in connection with the negotiation and preparation of this Amendment.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first written above.

**BANK**

Silicon Valley Bank

By:/s/\_\_\_\_\_

Name: M. Scott McCarty

Title: Relationship Manager

**BORROWER**

Relm Wireless Corporation

By:/s/\_\_\_\_\_

Name: William P. Kelly

Title: Executive Vice President

**BORROWER**

Relm Communications, Inc.

By:/s/\_\_\_\_\_

Name: William P. Kelly

Title: Executive Vice President