

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) September 28, 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 September 28, 2007, RELM Wireless Corporation (the “Registrant”), RELM Communications, Inc., the Registrant’s wholly-owned subsidiary, and Silicon Valley Bank, as lender, entered into a Consent and Seventh Amendment to Loan and Security Agreement (the “Amendment”) to the Loan and Security Agreement dated August 29, 2003, as amended, 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 (i) reduces the amount of the “Tangible Net Worth” covenant contained in the Loan and Security Agreement (as previously amended) to \$25,000,000 from \$28,000,000 and (ii) constitutes the lender’s consent to the Registrant’s payment of a one-time special cash dividend of \$0.50 per share of its common stock by not later than November 30, 2007, so long as at the time of the payment of such dividend no “Event of Default” exists under the secured revolving credit facility or would result thereunder from the payment of such dividend.

As described in Item 8.01 below, the Registrant announced on October 1, 2007 that its Board of Directors authorized and declared such a dividend.

As of September 28, 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 8.01 Other Events.

On October 1, 2007, the Registrant announced that its Board of Directors authorized and declared a special cash dividend of \$0.50 per share of common stock to be paid on October 22, 2007 to shareholders of record on October 10, 2007. The declaration and payment of future cash dividends, if any, is subject to the Board of Director’s discretion and final determination based upon its consideration of the Registrant’s operating results, financial condition and anticipated capital requirements, as well as such other factors it may deem relevant.

A copy of the press release issued by the Registrant concerning the special cash dividend is furnished herewith as Exhibit 99.1 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
10.1	Consent and Seventh Amendment to Loan and Security Agreement entered into as of September 28, 2007 by and among RELM Wireless Corporation, RELM

Communications, Inc. and Silicon Valley Bank

99.1

Press Release of the RELM Wireless Corporation dated October 1, 2007

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: October 1, 2007

Exhibit Index

Exhibit Number	Description
10.1	Consent and Seventh Amendment to Loan and Security Agreement entered into as of September 28, 2007 by and among RELM Wireless Corporation, RELM Communications, Inc. and Silicon Valley Bank
99.1	Press Release of the RELM Wireless Corporation dated October 1, 2007

**CONSENT AND SEVENTH AMENDMENT
TO
LOAN AND SECURITY AGREEMENT**

THIS CONSENT AND SEVENTH AMENDMENT to Loan and Security Agreement (this "Amendment") is entered into this 28th day of September, 2007, by and among Silicon Valley Bank ("Bank"), Relm Wireless Corporation, a Nevada corporation ("Relm Wireless"), and 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 (i) amend the Loan Agreement to (i) adjust the amount of the Tangible Net Worth covenant contained therein, and (ii) consent to the payment by Relm Wireless of a one-time special dividend of \$0.50 per share of the common stock of Relm Wireless.

D. Bank has agreed to so amend certain provisions of the Loan Agreement and to consent to the payment of such special dividend, 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 Consent shall have the meanings given to them in the Loan Agreement.

2. Amendments to Loan Agreement.

2.1 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 \$25,000,000, increasing by (a) 50% of quarterly profits, commencing with the quarter beginning July 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 July 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.

3. Consent. The Bank hereby consents to the payment of a one time special dividend of \$0.50 per share of common stock of Relm Wireless by not later than November 30, 2007, provided that no such dividend may be paid at any time an Event of Default or Default either exists under the Loan Agreement or would result from the payment of any such dividend.

4. Limitation of Amendments.

4.1 The amendments set forth in **Section 2** above and the consent set forth in **Section 3** 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.

4.2 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.

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

5.1 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;

5.2 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;

5.3 The organizational documents of Borrower most recently delivered to Bank remain true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect;

5.4 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;

5.5 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;

5.6 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 either Borrower, except as already has been obtained or made; and

5.7 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.

6. 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.

7. 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 \$1,500, and (c) Borrower's payment of Bank's legal fees and expenses in connection with the negotiation and preparation of this Consent.

[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: _____
Name: _____
Title: _____

BORROWER

Relm Wireless Corporation

By: _____
Name: _____
Title: _____

Relm Communications, Inc.

By: _____
Name: _____
Title: _____



Company Contact:
RELM Wireless Corporation
William P. Kelly, EVP & CFO
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RELM Wireless Announces the Declaration of a Special Cash Dividend

WEST MELBOURNE, FL, October 1, 2007 – RELM Wireless Corporation (AMEX: RWC) today announced that its Board of Directors has authorized and declared a special cash dividend of \$0.50 per share of common stock to be paid on October 22, 2007 to shareholders of record on October 10, 2007.

George N. Benjamin III, Chairman of the RELM Board of Directors, commented, “The declaration of a special cash dividend is consistent with our commitment that RELM’s shareholders should participate directly in the Company’s success. Looking ahead, we believe the Company is well positioned to build upon its success with an expanding line of high-specification and high-quality products including P25 digital products planned for future introduction.”

The declaration and payment of future cash dividends, if any, is subject to the Board of Director’s discretion and final determination based upon its consideration of the Company’s operating results, financial condition and anticipated capital requirements, as well as such other factors it may deem relevant.

About RELM Wireless

For six decades, RELM Wireless Corp. has manufactured and marketed high-specification two-way communications equipment for use by public safety professionals and government agencies, as well as radios for use in a wide range of commercial and industrial applications, including disaster recovery. Revolutionary advances include new interoperable, low-cost digital two-way radios compliant with APCO Project 25 technical specifications. Products are manufactured and distributed worldwide under BK Radio, RELM/BK and RELM product lines. The company maintains its headquarters in West Melbourne, Florida and can be contacted through its web site at www.relm.com or directly at 1-800-821-2900.

This press release contains certain forward-looking statements that are made pursuant to the “Safe Harbor” provisions of the Private Securities Litigation Reform Act Of 1995. These forward-looking statements, including the Chairman’s statements regarding the Company’s future prospects are based largely on the Company’s beliefs and expectations. These statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors and risks include, among others, the following: reliance on contract manufacturers; heavy reliance on sales to the U.S. Government; federal, state and local budget deficits and spending limitations; limitations in available radio spectrum for use by land mobile radios; general economic and business conditions; changes in customer preferences; competition; changes in technology; changes in business strategy; the debt and inventory levels of the Company; quality of management, business abilities and judgment of the Company’s personnel; and the availability, terms and deployment of capital. Certain of these factors and risks, as well as other risks and uncertainties, are stated in more detail in the Company’s Annual Report on Form 10-K for the year ended December 31, 2006 and in the Company’s subsequent filings with the SEC. These forward-looking statements are made as of the date of this press release, and the Company assumes no obligation to update the forward-looking statements or to update the reasons why actual results could differ from those projected in the forward-looking statements.