

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): **December 29, 2009**

ClearOne Communications, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Utah
(State or Other Jurisdiction of Incorporation)

001-33660
(Commission File Number)

87-0398877
(I.R.S. employer
identification number)

5225 Wiley Post Way, Suite 500
Salt Lake City, Utah
(Address of principal executive offices)

84116
(Zip Code)

(801) 975-7200
(Registrant's Telephone Number, Including Area Code)

Not applicable
(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 communication 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 November 3, 2009, ClearOne Communications, Inc. (“ClearOne”) entered into and closed the Merger Agreement with Alta-Wasatch Acquisition Corporation (“Alta-Wasatch”), our wholly owned subsidiary and NetStreams, Inc (“NetStreams”). Pursuant to the Merger Agreement, Alta-Wasatch, merged into NetStreams (the “Merger”).

In connection with the closing of the Merger on November 3, 2009, we entered into the Joinder to the Loan and Security Agreement (the “Joinder”) and the Seventh Amendment to the Loan and Security Agreement (the “Seventh Amendment”).

Pursuant to the Joinder, we entered into the Loan and Security Agreement as a co-borrower and assumed certain obligations under the Loan and Security Agreement. We were not required to pledge additional security interests to the Bank. The existing collateral arrangement with respect to Borrowers’ assets continues to secure the obligations of the parties under the Loan and Security Agreement. In connection therewith, NetStreams entered into the Seventh Amendment which obligates us to the Loan and Security Agreement in the amount of \$2,000,000 and payment of Interest (as defined in the Loan and Security Agreement) under the Formula Revolving Line (as defined in the Loan and Security Agreement) shall be due and payable on the first calendar day of each month during the term of the Loan and Security Agreement.

On December 22, 2009 ClearOne along with NetStreams executed the Eighth Amendment to Loan and Security Agreement (“Eighth Amendment”) with Square 1 Bank. The effect of the agreement is to extend the forbearance period from December 15, 2009 to January 15, 2010.

The foregoing descriptions of the Joinder, Seventh Amendment and Eighth Amendment are only summaries and are qualified in their entirety by reference to the full text of the Joinder, Seventh Amendment and Eighth amendment, which are attached hereto as exhibits.

Item 9.01 Financial Statements and Exhibits

Exhibit Number	Description
2.2	Agreement and Plan of Merger, dated as of November 3, 2009, by and among ClearOne Communications, Inc., Alta-Wasatch Acquisition Corporation, NetStreams, Inc., Austin Ventures VIII, L.P., and Kevin A. Reinis. Incorporated by reference to our Form 8-K filed on Nov 9, 2009
10.23	Joinder to Loan and Security Agreement, dated as of November 3, 2009, by and between ClearOne Communications, Inc. and Square 1 Bank. Incorporated by reference to our Form 8-K filed on Nov 9, 2009
10.24	Seventh Amendment to Loan and Security Agreement, dated as of November 3, 2009, by and between Square 1 Bank, ClearOne Communications, Inc., NetStreams, Inc., and NetStreams, LLC. Incorporated by reference to our Form 8-K filed on Nov 9, 2009
10.25	Eighth Amendment to Loan and Security Agreement, dated as of December 15, 2009, by and between Square 1 Bank, ClearOne Communications, Inc., NetStreams, Inc., and NetStreams, LLC.

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.

Date: December 29, 2009

By: /s/ Zeynep Hakimoglu
Zeynep Hakimoglu
President, CEO and Chairman

**SEVENTH AMENDMENT TO FORBEARANCE AGREEMENT
AND
EIGHTH AMENDMENT TO LOAN AND SECURITY AGREEMENT**

This Seventh Amendment to Forbearance Agreement and Eighth Amendment to Loan and Security Agreement (the "**Amendment**"), is entered into as of December 15, 2009, by and between SQUARE 1 BANK (the "**Bank**") and CLEARONE COMMUNICATIONS, INC., NETSTREAMS, INC. and NETSTREAMS, LLC (collectively, "**Borrower**").

RECITALS

Borrower and Bank are parties to that certain Loan and Security Agreement dated as of November 12, 2008 (as amended from time to time, with related documents, including that certain Joinder to Loan and Security Agreement dated as of November 3, 2009, the "**Loan Agreement**"). Borrower and Bank are parties to that certain Forbearance Agreement and First Amendment to Loan and Security Agreement, dated as of March 31, 2009 (as amended from time to time, the "**Forbearance Agreement**"). The parties desire to amend the Loan Agreement and the Forbearance Agreement in accordance with the terms of this Amendment.

Now, therefore, the parties agree as follows:

- 1) Borrower is in violation of the monthly reporting requirements, as set forth in Section 6.2(a) and Section 6.2(b) of the Loan Agreement, for the reporting period ending October 31, 2009 ("October Reporting Violation"), and has informed Bank that it anticipates also being in violation of such monthly reporting requirements for the reporting period ending November 30, 2009 ("November Anticipated Reporting Violation"). Bank hereby waives the aforementioned October Reporting Violation and November Anticipated Reporting Violation.
- 2) Section 3 of the Forbearance Agreement is hereby amended and restated, in its entirety, as follows:
 3. Forbearance. Borrower acknowledges the existence of the Existing Default under the Loan Agreement. Borrower further acknowledges and agrees that Bank is not in any way agreeing to waive such Existing Default as a result of this Agreement or the performance by the parties of their respective obligations hereunder or thereunder. Subject to the conditions contained herein and performance by Borrower of all of the terms of this Agreement and the Loan Agreement after the date hereof, Bank shall, until the earliest of (i) January 15, 2010, or (ii) such date that there shall occur any further Event of Default (the "Forbearance Period"), forbear from exercising any remedies that it may have against Borrower as a result of the occurrence of the Existing Default. Such forbearance does not apply to any other Event of Default or other failure by Borrower to perform in accordance with the Loan Agreement or this Agreement. This forbearance shall not be deemed a continuing waiver or forbearance with respect to any Event of Default of a similar nature that may occur after the date of this Agreement.

3) The following definition in Exhibit A to the Loan Agreement is hereby amended and restated, in its entirety, as follows:

“**Term Loan Maturity Date**” means January 15, 2010.

- 4) Unless otherwise defined, all initially capitalized terms in this Amendment shall be as defined in the Loan Agreement or the Forbearance Agreement. The Loan Agreement or the Forbearance Agreement, as amended hereby, shall be and remain in full force and effect in accordance with its respective terms and hereby is ratified and confirmed in all respects. Except as expressly set forth herein, the execution, delivery, and performance of this Amendment shall not operate as a waiver of, or as an amendment of, any right, power, or remedy of Bank under the Loan Agreement or Forbearance Agreement, as in effect prior to the date hereof. Borrower ratifies and reaffirms the continuing effectiveness of all agreements entered into in connection with the Loan Agreement or Forbearance Agreement.
- 5) Borrower represents and warrants that the representations and warranties contained in the Loan Agreement or Forbearance Agreement are true and correct as of the date of this Amendment.
- 6) This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one instrument.
- 7) As a condition to the effectiveness of this Amendment, Bank shall have received, in form and substance satisfactory to Bank, the following:
- (a) this Amendment, duly executed by Borrower;
 - (b) payment of all Bank Expenses, including Bank’s expenses for the documentation of this Amendment and any related documents, which may be debited from any of Borrower's accounts; and
 - (c) such other documents and completion of such other matters, as Bank may reasonably deem necessary or appropriate.

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IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the first date above written.

CLEARONE COMMUNICATIONS, INC.

By: /s/ ZEYNEP HAKIMOGLU
Its: President & CEO

SQUARE 1 BANK

By: /s/ TOMMY DEAVENPORT
Its: SVP - Regional Manager

NETSTREAMS, INC.

By: /s/ NARSI NARAYANAN
Its: Director

NETSTREAMS, LLC

By: /s/ NARSI NARAYANAN
Its: Member Representative

*[Signature Page to Seventh Amendment to Forbearance Agreement and
Eighth Amendment to Loan and Security Agreement]*