

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): February 24, 2025 (February 24, 2025)

ClearOne, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation)

001-33660

(Commission File Number)

87-0398877

(I.R.S. Employer Identification No.)

5225 Wiley Post Way, Suite 500, Salt Lake City, Utah

(Address of principal executive offices)

84116

(Zip Code)

+1 (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© under the Exchange Act (17 CFR 240.13e-4©)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class
Common Stock, \$0.001

Trading Symbol(s)
CLRO

Name of each exchange on which registered
The NASDAQ Capital Market

Item 7.01 Regulation FD.

On April 10, 2024, ClearOne, Inc. (the “Company”) paid a special one-time cash dividend of \$0.50 per share of the Company’s common stock to shareholders of record on April 2, 2024 (the “Special Distribution”).

At that time of the Special Distribution, the Company did not have current or accumulated earnings and profits as described in Section 312 of the Internal Revenue Code of 1986, as amended. Accordingly, the Special Distribution was characterized as a return of capital, and Forms 1099-DIV issued to stockholders should have reported the Special Distribution in Box 3 of Form 1099-DIV as a non-dividend distribution.

The Company recently became aware that certain stockholders holding shares in street name through brokerage accounts received Forms 1099-DIV that reported the Special Distribution as an ordinary dividend in Box 1 of Form 1099-DIV.

On February 21, 2025, the Company filed Form 8937 with the U.S. Internal Revenue Service to facilitate the issuance of corrected Forms 1099-DIV to stockholders of the Company reporting the Special Distribution as a non-dividend distribution in Box 3 of the Form 1099-DIV.

A copy of the Form 8937 is furnished hereto as Exhibit 99.1 and is available on the investor relations page of the Company’s internet website at www.clearone.com.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit Number	Exhibit Title
99.1	IRS Form 8937 of ClearOne, Inc.
104.1	The cover page from this Current Report on Form 8-K, formatted in Inline XBRL.

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, INC.

Date: February 24, 2025

By: /s/ Simon Brewer
Simon Brewer
Chief Financial Officer

ClearOne, Inc.

2024 Cash Distributions

Attachment to Form 8937

PLEASE CONSULT YOUR TAX ADVISOR

THE FOLLOWING DISCUSSION IS A SUMMARY OF MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE APRIL 10, 2024 CASH DISTRIBUTION TO SHAREHOLDERS UNDER CURRENT LAW AND IS FOR GENERAL INFORMATION ONLY. THE INFORMATION CONTAINED HEREIN DOES NOT CONSTITUTE TAX ADVICE AND DOES NOT PURPORT TO BE COMPLETE OR TO DESCRIBE THE CONSEQUENCES THAT MAY APPLY TO PARTICULAR CATEGORIES OF SHAREHOLDERS.

SHAREHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISOR WITH RESPECT TO THE U.S. FEDERAL, STATE AND LOCAL AND FOREIGN TAX CONSEQUENCES OF CASH DISTRIBUTIONS.

Part II – Organizational Action

Line 14. Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.

In April 2024, ClearOne, Inc. issued cash distributions to various shareholders. The Company's Board of Directors declared a special dividend of \$0.50 per share of the Company's stock and eligible warrants to be paid on April 10, 2024 to shareholders and warrant holders of record on April 2, 2024. At that time, the company did not have current or accumulated earnings and profits as described in IRC 312, its regulations, and pertinent authority.

Line 15. Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.

Distributions from a corporation made with respect to stock is taxed using a three-tiered rule. First, the payment is a taxable dividend to the extent it is paid out of the corporation's earnings and profits. Second, if the payment exceeds earnings and profits, the portion of the payment that is not paid from earnings and profits (and is made with respect to stock) reduces the shareholders tax basis in stock as a return of capital. Third, if the payment reduces the shareholders basis to zero, any amount that exceeds the shareholder's basis is treated as gain from the sale or exchange of property and is taxed as capital gain. As the company did not have current or accumulated earnings and profits when these distributions noted in Line 14 were made, the distributions fall into tier two and, potentially, tier three. Shareholders are urged to consult their own tax advisors regarding any adjustment to their stock basis and capital gain.

Line 16. Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.

See answer to Line 15.

Line 17. List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.

IRC Section 301(a)-(d), IRC Section 312, IRC Section 316

Line 18. Can any resulting loss be recognized?

No.

Line 19. Provide any other information necessary to implement the adjustment, such as the reportable tax year.

The reportable tax year in which the cash distribution occurred is 2024.