



tranches, the first of which closed on August 23, 2017 and the second of which closed on November 9, 2017. The Series A had a stated conversion price of \$4.23 per share and voted on an as if converted basis. However, since the shares of Series A were sold at a discount to the \$1,000 face value, the actual conversion price was \$3.85 per share for the Series A sold on May 30, and June 8, 2017, and \$3.23 per share for the Series A sold pursuant to the August 23, 2017 agreement. The market value of the common stock on May 26, 2017, the business day immediately prior to the creation of the Series A, was \$4.11. The Staff of the NASDAQ Stock Market determined that by affording the holders of the Series A voting rights based on a discounted conversion price, the Company did not comply with NASDAQ Listing Rule 5640.

Additionally, since the Series A can convert into common stock at a discount to the market value of the Common Stock, the staff of the NASDAQ Stock Market determined that the Series A shares issued to Mr. Burish would be considered "equity compensation" and required shareholder approval prior to the issuance of the Series A Preferred under NASDAQ Listing Rule 5635(c).

On November 7, 2017, the Company entered into an Agreement with Mr. Burish such that Mr. Burish waived his right to convert the Series A Preferred into common stock until shareholder approval has been obtained, and to waive his right to vote his shares of Series A Preferred Stock to approve the issuance of the Series A Preferred Stock. Further, on November 21, 2017, the Company filed an amendment to the Articles Supplementary for the Series A Preferred. The amendment changed the voting rights of the holders of Series A Preferred, such that each share of Series A Preferred shall be entitled to 221 votes (which represents the number of shares calculated by dividing the initial issuance price of the preferred shares of \$910 by the market price of the common stock on such initial date of issuance of \$4.11.) As a result of the agreement with Mr. Burish and the amendment to the Articles Supplementary, the Staff of the NASDAQ Stock Market notified Sonic Foundry, Inc. that it has regained compliance with Rules 5640 and 5635(c).

Item 9.01 Financial Statements and Exhibits.

(a) Exhibits

99.1 Press release of Sonic Foundry, Inc., dated November 30, 2017

EXHIBIT LIST

NUMBER DESCRIPTION

99.1 Press release of Sonic Foundry, Inc., dated November 30, 2017

SIGNATURE

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 thereunto duly authorized.

Sonic Foundry, Inc.

(Registrant)

November 30, 2017 By: /s/ Kenneth A. Minor

Kenneth A. Minor

Chief Financial Officer