SECURITIES & EXCHANGE COMMISSION EDGAR FILING

SONIC FOUNDRY INC

Form: 8-K

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Corporate Issuer CIK: 1029744

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

January 8, 2019 (January 4, 2019)
Date of Report (Date of earliest event reported)

Sonic Foundry, Inc.
(Exact name of registrant as specified in its charter)

Maryland	000-30407	39-1783372
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

222 W. Washington Ave Madison, WI 53703	(608) 443-1600
(Address of principal executive offices)	(Registrant's telephone number)

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 January 4, 2019, following the approval of the Board of Directors, with Mr. Burish abstaining, the Company and Mark Burish entered into a Promissory Note (the "Promissory Note") pursuant to which Mr. Burish purchased a 9.25% Promissiory Note for $1,000,000 in cash. The outstanding principal balance of the promissory note, plus any unpaid accrued interest shall be due and payable on January 4, 2020 or the following business day.

The foregoing description of the Promissory Note does not purport to be complete and is subject to, and qualified in its entirety by the full text of the Promissory Note which is incorporated by reference into this Item 1.01 by reference to Exhibit 10.1 to this report.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of the Registrant.

Item 1.01 is hereby incorporated by reference.

Item 9.01 Financial Statements and Exhibits.

(a) Exhibits

10.1 Promissory Note between the Company and Mark Burish, dated January 4, 2019.

EXHIBIT LIST

NUMBER	DESCRIPTION
10.1	Promissory Note between the Company and Mark Burish, dated January 4, 2019.

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)

January 8, 2019

By:	/s/ Kenneth A. Minor
By:	Kenneth A. Minor
Title:	Chief Financial Officer

PROMISSORY NOTE

US $1,000,000 Effective Date: January 4, 2019

FOR VALUE RECEIVED, the undersigned **Sonic Foundry, Inc.**, a Maryland Corporation ("**Borrower**") promises to pay to Mark Burish, a Wisconsin resident ("**Lender**"), the principal sum of One Million Dollars (US $1,000,000.00), with interest on the unpaid principal balance at the rate of 9.25% percent per annum. Interest accrued on this Note shall be due and payable on each December , or the next business day if such day is not a day on which the national banking associations are open for business, of each year during the term of this Note. The then outstanding principal balance of this Note, plus any then unpaid accrued interest, shall be due and payable on January 4, 2020, or the next business day if such day is not a day on which the national banking associations are open for business. This Note may be prepaid at any time without penalty. All payments due under this Note shall be payable at 33 East Main Street, Suite 400, Madison, Wisconsin 53703, or such other place as may be designated by Notice to Borrower from or on behalf of Lender. If a transaction with Hale Capital Partners LLC is closed on terms and conditions as describrd in the attached term sheet, this Note will be paid by Borrower by issuing a substitute note ("Substitute Note") on the same terms and conditions of and concurrently with the closing of the Hale Transaction; provided, however, the Substitute Note shall be subordinated to Hale and subject to an intercreditor agreement as reasonably requested by Hale. Like Hale, warrants shall be issued to Lender in connection with the Substitute Note equal to 15% of the amount outstanding under this Note divided by the Market Price on the date of the closing of the Hale transaction, and subject to the same terms and conditions of the warrant agreement granted to Hale.

Borrower waives presentment, demand, notice of dishonor, protest, notice of acceleration, notice of intent to demand or accelerate payment or maturity, presentment for payment, notice of nonpayment, grace, and diligence in collecting the Indebtedness.

This Note shall be governed by the law of the State of Wisconsin, without reference to choice of law principles.

IN WITNESS WHEREOF, and in consideration of the Lender's agreement to lend Borrower the principal amount set forth above, Borrower has caused this Note to be signed and delivered by its duly authorized representative.

BORROWER:

ACCEPTED this 4th of January, 2019, on behalf of Sonic Foundry, Inc.

By: /s/ Kenneth A. Minor
By: Kenneth A. Minor
Title: Chief Financial Officer