

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

RELM WIRELESS CORP

Form: 8-K

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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):

April 16, 2018

RELM Wireless Corporation

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction
of incorporation)

001-32644

(Commission
File Number)

59-3486297

(I.R.S. 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

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))

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. ☐

Item 8.01 Other Events.

Attached as Exhibit 99.1 to this Current Report on Form 8-K is the President's Letter to Shareholders (the "Letter"). This Letter will be included in the 2017 Annual Report of RELM Wireless Corporation (the "Company") and will be made available to shareholders beginning on April 16, 2018 with the proxy materials for the Company's Annual Meeting of Shareholders scheduled to be held on June 4, 2018 (the "2018 Annual Meeting").

Forward-Looking Statements

The Letter contains statements about future events and expectations which are "forward-looking statements" within the meaning of Sections 27A of the Securities Act of 1933, as amended, and 21E of the Securities Exchange Act of 1934, as amended, including statements about the Company's plans, objectives, expectations and prospects. You can expect to identify these statements by forward-looking words such as "may," "might," "could," "would," "should," "will," "anticipate," "believe," "plan," "estimate," "project," "expect," "intend," "seek" and other similar expressions. Any statement contained in the Letter that is not a statement of historical fact may be deemed to be a forward-looking statement. Forward-looking statements include, but are not limited to, statements regarding industry trends and expected impact on the Company, the impact of general economic conditions, future product development and the demand for new products, growth/contraction, general demand, customer spending and resulting opportunities and challenges, the impact of the Company's strategy, the Company's dependence on sales to the U.S. Government, the impact from the loss of key customers, suppliers and manufacturers, the Company's competitive position, the Company's ability to adapt to technological changes, the seasonality of the business, the impact of regulatory matters, the availability of materials and components, the consequences of a disruption in manufacturing, the consequences of a disruption of information systems, the impact of maintaining inventory, the Company's access to capital, the Company's ability to retain its employees, the Company's ability to adapt to leadership changes, the Company's ability to protect its intellectual property, adequacy of the Company's insurance and the impact of natural disasters, acts of war or terrorism and other catastrophic events beyond the Company's control.

Although the Company believes that the plans, objectives, expectations and prospects reflected in or suggested by its forward-looking statements are reasonable, those statements involve risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements, and the Company can give no assurance that its plans, objectives, expectations and prospects will be achieved.

Important factors that might cause the Company's actual results to differ materially from the results contemplated by the forward-looking statements are contained in "Part I—Item 1A. Risk Factors" and elsewhere in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 and in its subsequent filings with the Securities and Exchange Commission (the "SEC"). The Company assumes no obligation to publicly update or revise any forward-looking statements made in the Letter, whether as a result of new information, future events, changes in assumptions or otherwise, after the date of the Letter. Readers are cautioned not to place undue reliance on these forward-looking statements.

Important Information

The Letter may be deemed to be proxy soliciting material in respect of the solicitation of proxies from shareholders in connection with the 2018 Annual Meeting. The Company filed a proxy statement with the SEC in connection with the 2018 Annual Meeting on April 16, 2018. The proxy statement, any other relevant documents and other material filed with the SEC concerning the Company is and will be, when filed, available free of charge at www.sec.gov and on the Company's website at www.bktechnologies.com. Copies may also be obtained, free of charge, by contacting the Company directly at 1-800-821-2900. Shareholders are urged to read the proxy statement and any other relevant documents filed when they become available before making any voting decision because they will contain important information. The Company, its directors and executive officers and employees may be deemed to be participants in such solicitation. Information about the Company's directors and executive officers and their ownership of the Company's securities is available in the Company's proxy statement for the 2018 Annual Meeting filed with the SEC on April 16, 2018 and in subsequent SEC filings on Form 8-K and Forms 4.

(d) Exhibits

Exhibit Number	Description
99.1	Letter to Shareholders.

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 hereunto duly authorized.

RELM WIRELESS CORPORATION

Date: April 16, 2018

By: /s/ William P. Kelly

William P. Kelly
Executive Vice President and
Chief Financial Officer

2017 LETTER TO SHAREHOLDERS

To our RELM Wireless Shareholders,

Please allow me to begin by telling you how honored I am to be leading RELM Wireless and its many dedicated employees, who are committed to providing industry-leading products and services of the highest quality, and an enhanced customer experience; a combination that, I believe, will ultimately produce increasing shareholder value.

As you may know, I took the helm as President in January 2017. As I look back on 2017, I see a year full of transformative and positive changes. As we progress toward the future, I believe we'll reflect on 2017 as a year in which the foundation for success was built.



While some of the changes significantly impacted our financial and operating results, they were all essential to reposition the Company for growth and success in the coming quarters and years. RELM today is a much different Company than it was just one year ago. We have driven significant and far-reaching transformation, from our new name BK Technologies, to our new senior leadership team; from product design and development to manufacturing operations; plus a renewed commitment to Six Sigma quality and customer service. Almost every aspect of the Company has undergone meaningful, positive improvements. Some changes and enhancements are still ongoing, with others planned for the near future. I fully expect that this "evolution" dynamic will continue indefinitely as our team embraces a culture built on a continuous improvement discipline. I believe the Company is emerging from this transformative period with leading-edge products, world-class talent, and much better positioned for growth and profitability. Again, I believe that all these improvements will result in increased shareholder value.

Somewhat obscured by all the changes and related financial charges was our exceptional sales year. At over \$39 million, 2017 was our second-best sales year in at least the last 22 years; exceeded only by 2016's sales, which included over \$18 million from one customer, the TSA. Comparatively, sales for 2017 were from a much broader customer base, and without the benefit of one mega-contract. Excluding TSA for comparison purposes, 2017 sales grew 20.9% from 2016. This broad-based success included growth from new state and local customers, which is a strategic focus for us. We also had substantial demand from legacy Federal and State public safety agencies, as well as international sales, primarily in Canada. We invested in growing the sales team and will continue to do so in 2018, as sales is fundamental to our growth plans, and it will continue to be a main focus of mine.

To facilitate our sales efforts, exciting new products and technology are planned. Toward that end, in 2017 we invested in the product design and development teams to strengthen and improve our go-to-market capabilities. Later in 2018 we plan to introduce the first model in our line of multi-band products. Although related development expenses impacted earnings in 2017, and will continue to do so in 2018, this represents a critical investment in the Company's future. The number of customers requiring a multi-band solution has been rapidly increasing in recent years. Our participation in this segment of the market will complement our existing KNG Series product lines and should enable us to capture greater market share.

Our manufacturing and quality organizations will also be key components for future success. To a large extent, these areas received our primary attention for change and improvement in 2017. During the year we strengthened the Company's manufacturing and quality leadership, adding experienced, accomplished personnel with backgrounds in Lean Manufacturing and Six-Sigma Quality programs. Thereafter, we launched a comprehensive evaluation of our products, markets and strategies. In some cases the evaluation drove additional costs as our product lines were reconfigured to incorporate new technology and features, and to improve manufacturing processes that will result in better efficiencies that should ultimately translate into more competitive product costs.

Fortunately, the extraordinary charges and expenses incurred during 2017 were largely one-time, non-recurring items. Absent these items, we would have generated a profit for the year.

Most importantly, our core business remains strong. Sales for the past two consecutive years have been the Company's best in over 20 years. The current product lines are improved, and exciting new products and technology are on the near-term horizon. Our core business is supplemented by strategic investment that has generated exceptional returns and a significant amount of cash. The balance sheet remains strong, with liquidity in cash and accounts receivable, and no debt. Meanwhile, our capital return program has provided shareholders with dividends for seven consecutive quarters, and repurchased shares of our common stock.

We believe the next several years present a unique opportunity for the Company to enter exciting new markets, such as the much anticipated FirstNet, and increase our share of existing markets with the introduction of innovative new products. With the improvements we implemented in 2017, and others that are now underway,

we believe the Company is well positioned to excel in this environment. My goal is to lead RELM Wireless to achieve aggressive strategic growth while driving shareholder value. Thank you again for allowing me to share some of my vision for the future, and I look forward to speaking with many of you in 2018.

Timothy A. Vitou

A handwritten signature in dark ink, appearing to read 'Tim Vitou', with a stylized, sweeping flourish extending to the right.

President
RELM Wireless Corporation BK Technologies
