

Andrea Douglas J
Form SC 13D/A
June 08, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. 2)

ANDREA ELECTRONICS CORPORATION
(Name of Issuer)

Common Stock, par value \$0.01 per share
(Title of Class of Securities)

034393108
(CUSIP Number)

Douglas J. Andrea
65 Orville Drive, Bohemia, New York 11716
(Name, Address and Telephone Number of Person Authorized
to Receive Notices and Communications)

June 2, 2010
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

CUSIP No. 034393108

SCHEDULE 13D

1 NAME OF REPORTING PERSONS

Douglas J. Andrea

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

PF, OO

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

| | | | |
|--|----|--------------------------|-------------|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 7 | SOLE VOTING POWER | 244,700 (1) |
| | 8 | SHARED VOTING POWER | 16,314 (2) |
| | 9 | SOLE DISPOSITIVE POWER | 244,700 (1) |
| | 10 | SHARED DISPOSITIVE POWER | 16,314 (2) |

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
6,725,014 (3)

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11);
9.2% (4)

14 TYPE OF REPORTING PERSON
IN

(1) Does not include 6,464,000 shares subject to options.

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- (2) Mr. Andrea may be deemed to be the beneficial owner of 12,438 shares owned by Mr. Andrea's spouse and 3,876 shares owned by Mr. Andrea's daughter.
- (3) Includes 6,464,000 shares subject to options.
- (4) Based on 63,538,029 shares of Company common stock outstanding on May 4, 2010, plus the 6,464,000 shares that may be acquired by Mr. Andrea within 60 days of June 2, 2010.

Item 3. Source and Amount of Funds or Other Consideration

The increase in Mr. Andrea's beneficial ownership was due to the vesting of 333,000 stock options on September 12, 2009 and the vesting of 1,332,000 stock options on August 1, 2010, which are exercisable within 60 days of June 2, 2010. In addition, since the reporting person's Schedule 13D/A filing on June 5, 2009, 125,000 shares subject to options expired pursuant to their terms.

Item 5. Interest in Securities of the Issuer

(a) Mr. Andrea beneficially owns 6,725,014 common shares, including 6,464,000 shares that may be acquired by Mr. Andrea within 60 days of June 2, 2010, representing 9.2% of the 63,538,029 issued and outstanding shares of the Company's common stock as of May 4, 2010. Pursuant to Rule 13d-3, the 6,464,000 shares that may be acquired by Mr. Andrea within 60 days of June 2, 2010 are also deemed to be outstanding for purposes of computing the percentage of outstanding shares of the Company's common stock owned by Mr. Andrea.

Item 6. Arrangements, Understandings, and Relationships with Respect to Securities of the Issuer

Mr. Andrea currently has the following stock options granted pursuant to the issuer's stock option plans:

| Date of Option Grant | Number of Shares | Exercise Price | Option Plan | Portion Vested (1) | Expiration Date |
|----------------------|------------------|----------------|-------------|--------------------|-----------------|
| 08/01/2000 | 50,000 | \$6.000 | 1991 | Fully Vested | 08/01/2010 |
| 01/31/2002 | 250,000 | \$0.690 | 1998 | Fully Vested | 01/31/2012 |
| 06/14/2004 | 400,000 | \$0.130 | 1998 | Fully Vested | 06/14/2014 |
| 08/04/2004 | 250,000 | \$0.100 | 1998 | Fully Vested | 08/04/2014 |
| 08/04/2005 | 250,000 | \$0.040 | 1998 | Fully Vested | 08/04/2015 |
| 08/10/2005 | 600,000 | \$0.050 | 1998 | Fully Vested | 08/10/2015 |
| 11/02/2006 | 1,000,000 | \$0.120 | 1998 | Fully Vested | 11/02/2016 |
| 11/16/2006 | 1,000,000 | \$0.120 | 2006 | Fully Vested | 11/16/2016 |
| 09/12/2007 | 1,000,000 | \$0.110 | 2006 | 666,000 (2) | 09/12/2017 |
| 08/08/2008 | 2,000,000 | \$0.040 | 2006 | 1,332,000 (3) | 08/08/2018 |
| 08/08/2008 | 1,000,000 | \$0.040 | 2006 | 333,000 (4) | 08/08/2018 |
| 07/24/2009 | 1,000,000 | \$0.110 | 2006 | 333,000 (5) | 07/24/2019 |

(1) Includes amount vested within 60 days of June 2, 2010.

(2) The stock options vest 33.3% on the first anniversary of the Date of Grant, 33.3% on the second anniversary of the Date of Grant and 33.4% on the third anniversary of the Date of Grant, which was September 12, 2007.

(3) The stock options vest 33.3% on August 1, 2009, 33.3% on August 1, 2010 and 33.4% on August 1, 2011.

(4) The stock options vest 33.3% on August 1, 2010, 33.3% on August 1, 2011 and 33.4% on August 1, 2012.

(5) The stock options vest 33.3% on August 1, 2010, 33.3% on August 1, 2011 and 33.4% on August 1, 2012.

Item 7. Material to be Filed as Exhibits

- (1) 1991 Performance Equity Plan, as amended, incorporated herein by reference to Exhibit 4 of the Registrant's Registration Statement on Form S-8, No. 333-45421, filed February 2, 1998.
- (2) 1998 Stock Plan of the Registrant, as amended, incorporated herein by reference to Exhibit 4.1 of the Registrant's Registration Statement on Form S-8, No. 333- 2375, filed uly 7, 1999.
- (3) 2006 Equity Compensation Plan of the Registrant, incorporated herein by reference to Appendix A of the Registrant's Schedule 14A filed on October 17, 2006.
- (4) Form of Option Agreement, incorporated herein by reference to Exhibit 4 of the Reporting Persons Schedule 13D, filed June 5, 2009.
- (5) Amendment to 2006 Equity Compensation Plan, incorporated herein by reference to Exhibit 10.2 to the Registrant's Form 10-K, File No. 001-04324, filed March 6, 2010.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

June 7, 2010

By: /s/ Douglas J. Andrea
Douglas J. Andrea

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