

**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): January 13, 2006

LYNCH CORPORATION

(Exact Name of Registrant as specified in Charter)

Indiana	1-106	38-1799862
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)
140 Greenwich Avenue, 4th Floor, Greenwich, CT		06830
(Address of Principal Executive Offices)		(Zip Code)

Registrant's telephone number, including area code: (203) 622-1150

(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 (*see* General Instruction A.2. below):

- 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 8.01. Other Events.

On January 13, 2006, Lynch Corporation (the "Company") announced that it reached a settlement with the United Steelworkers of America Local 1069, formerly known as PACE Local 1-1069, regarding the severance pay litigation that arose out of the July 2001 closure of the Spinnaker-Maine manufacturing plant in Westbrook, Maine. The settlement includes payment of a total of \$800,000 to resolve the claims of 67 workers who lost their jobs in 2001. The parties have also agreed to withdraw their respective appeals now pending in the Maine Supreme Court. For more information, please refer to the press release attached hereto as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

<u>Number</u>	<u>Exhibit</u>
99.1	Press release of Lynch Corporation dated January 13, 2006.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Current Report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

LYNCH CORPORATION

By: /s/ Eugene Hynes
Eugene Hynes
Vice President

January 17, 2006

FOR IMMEDIATE RELEASE

January 13, 2006

CONTACTS

Gene Hynes
Lynch Corporation
203.622.1150
ghynes@lynchcorp.com

Victor Emmanuel
Creative Partners
203.705.9203

Lynch Corporation Announces Settlement of PACE Litigation

GREENWICH, Conn., January 13, 2006 — Lynch Corporation (ASE: LGL) and United Steelworkers of America Local 1069, formerly known as PACE Local 1-1069 today announced that they have reached a settlement of their severance pay litigation, which arose out of the July 2001 closure of the Spinnaker-Maine manufacturing plant in Westbrook, Maine. The settlement includes payment of a total of \$800,000 to resolve the claims of 67 workers who lost their jobs in 2001. The parties have also agreed to withdraw their respective appeals now pending in the Maine Supreme Court.

Lynch is a holding company for two manufacturing subsidiaries:

- MtronPTI which designs and manufactures components that control the frequency of electronic signals in communications systems.
- Lynch Systems, Inc., which produces advanced manufacturing systems for the electronic display and consumer glass industries.

For more information on the company and its products and services, contact Gene Hynes, Vice President, Lynch Corporation, 140 Greenwich Avenue, 4th Floor, Greenwich, Connecticut 06830, (203) 622-1150, or visit the company's Web site: www.lynchcorp.com.

#

Caution Concerning Forward Looking Statements

This document includes certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from these expectations due to changes in global political, economic, business, competitive, market and regulatory factors. More detailed information about those factors is contained in Lynch Corporation's filings with the Securities and Exchange Commission.