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Subject: ACCEPTED FORM TYPE 8-K (0000921895-05-000714)  
Date: 16-May-2005 15:25

THE FOLLOWING SUBMISSION HAS BEEN ACCEPTED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION.

COMPANY: LYNCH CORP  
FORM TYPE: 8-K  
RECEIVED DATE: 16-May-2005 15:25  
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ACCESSION NUMBER: 0000921895-05-000714

FILE NUMBER(S):  
1. 001-00106

THE PASSWORD FOR LOGIN CIK 0000921895 WILL EXPIRE 15-Jul-2005 14:07.

PLEASE REFER TO THE ACCESSION NUMBER LISTED ABOVE FOR FUTURE INQUIRIES.

REGISTRANT(S):

1. CIK: 0000061004  
COMPANY: LYNCH CORP  
FORM TYPE: 8-K  
FILE NUMBER(S):  
1. 001-00106

ITEM(S):

1. 1.01  
2. 2.03  
3. 9.01

----- NOTICE -----

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

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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): May 12, 2005  
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LYNCH CORPORATION

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(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  
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(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))

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Item 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.  
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Venator Merchant Fund, L.P., a Delaware limited partnership ("Venator"), made a loan to Lynch Corporation ("Registrant"), in the amount of \$700,000 (the "Loan"). Registrant's obligation to repay Venator is evidenced by a Promissory Note, dated May 12, 2005, made by Registrant to Venator (the "Note"), which is filed as Exhibit 10.1 to this Current Report on Form 8-K. Under the terms of the Note, Registrant is to pay Venator the principal sum of \$700,000 on September 11, 2005 (the "Maturity Date"), or within seven days after demand by Venator is made. Registrant is also to pay interest on the unpaid principal amount, together with payment of principal on the Maturity Date, at the rate of 6% per annum.

The Note contains covenants restricting the use of the proceeds of the Loan as follows: (a) up to \$250,000 are to be used for open market purchases of Registrant's common stock; and (b) the balance is to be used for working capital and general corporate purposes, including, without limitation for legal and accounting accruals and corporate accruals and expenses.

Under the terms of the Note, Registrant must prepay the Promissory Note to the extent of the net proceeds of any sale of its equity or debt securities. The Note also provides for certain events of default that could accelerate the date on which payment of the Note is to be made.

Venator is an investment limited partnership controlled by Registrant's Chairman of the Board, Marc Gabelli, and is the beneficial owner of approximately 20% of Registrant's outstanding common stock. The Loan was approved by the Audit Committee of the Board of Directors of the Registrant.

Item 2.03 CREATION OF A DIRECT FINANCIAL OBLIGATION OR AN OBLIGATION UNDER AN OFF-BALANCE SHEET ARRANGEMENT OF A REGISTRANT.

See Item 1.01- Entry into a Material Definitive Agreement.

Item 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits

10.1 Promissory Note made by Lynch Corporation to Venator Merchant Fund, L.P., dated May 12, 2005.

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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/ John C. Ferrara

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John C. Ferrara  
President and Chief Executive Officer

May 16, 2005

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PROMISSORY NOTE

\$700,000

Date: May 12, 2005

FOR VALUE RECEIVED, the undersigned, Lynch Corporation, an Indiana Corporation (the "Maker"), promises to pay to Venator Merchant Fund, L.P., a Delaware limited partnership (the "Holder"), the principal sum of Seven Hundred Thousand Dollars (\$700,000) on September 11, 2005 (the "Maturity Date"). Maker also promises to pay interest on the unpaid principal amount hereof, together with payment of principal on the Maturity Date, at the rate of 6% per annum (the "Initial Interest Rate").

Any amount of principal hereunder that is not paid when due (whether at the Maturity Date, by acceleration or otherwise) shall bear interest until paid in full at a rate of 8% per annum (the "Subsequent Interest Rate"). Interest shall be calculated on the basis of a 360 day year for the actual number of days elapsed. All payments hereunder shall be made in immediately available funds in lawful money of the United States of America.

Maker covenants to use the proceeds of the loan from Holder to Maker, the obligation of repayment of which is evidenced by this Note, as follows: (a) up to \$250,000 of such proceeds shall be used for open market purchases of Maker's common stock; and (b) the balance of such proceeds shall be used for working capital and general corporate purposes, including, without limitation for legal and accounting accruals and corporate accruals and expenses. Maker shall prepay this Note to the extent of the net proceeds of any sale of its equity or debt securities during the term of this Note. Maker may, at any time and from time to time, prepay this Note, in whole or in part, without premium or penalty. All prepayments shall be accompanied by accrued interest on the principal amount being prepaid to the date of prepayment.

Any term of this Note to the contrary notwithstanding, Holder may demand full payment of this Note at any time during its term. Upon such demand, Maker shall pay Holder the principal amount hereof then outstanding, together with interest on such principal amount, within seven days after Holder's demand.

Upon the occurrence and continuance of any of the following (each an "Event of Default"): (a) default in the payment when due of any amount hereunder and the continuation of such default unremedied for a period of 10 days; (b) filing by or against Maker of a petition commencing any proceeding under any bankruptcy, reorganization, rearrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction, now or hereafter in effect; (c) the making of a petition or application to any tribunal for the appointment of a custodian, receiver or trustee for Maker or for a substantial part of its assets; (d) Maker making an assignment for the benefit of creditors; or (e) entry of any judgment or order of attachment, injunction or governmental tax lien or levy issued against Maker or against any property of Maker, then this Note shall, at the sole option of Holder, become due and payable without notice

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or demand; provided, however, if an Event of Default described in clause (b) or clause (c) above occurs as a result of a voluntary act of Maker, this Note shall automatically become due and payable; and provided, further, if an Event of Default described in clause (b) or clause (c) occurs involuntarily and is not consented to or acquiesced in by Maker, and any such proceeding continues undismissed and unstayed or any such appointment continues undischarged for a period of 60 days, this Note shall automatically become due and payable.

Maker agrees to pay in addition to the unpaid principal, interest and late charges due hereunder, Holder's reasonable attorneys' fees in connection with the negotiation, drafting and review of this Note.

In the event that Holder for any reason shall refer this Note to an attorney for the enforcement thereof, Maker agrees to pay in addition to the unpaid principal, interest and late charges due hereunder, Holder's reasonable attorneys' fees, together with all costs and expenses of any such enforcement.

Holder shall not, by any act, delay, omission or otherwise, be deemed to have waived any of its rights and/or remedies hereunder. No change, amendment, modification, termination, waiver, or discharge, in whole or in part, of any provision of this Note shall be effective unless in writing and signed by Holder, and if so given by Holder, shall be effective only in the specific instance in which given. Maker acknowledges that this Note and Maker's obligations under this Note are, and shall at all times continue to be, absolute and unconditional in all respects, and shall at all times be valid and enforceable irrespective of any other agreements or circumstances of any nature whatsoever that might otherwise constitute a defense to this Note and the obligations of Maker under this Note. Maker absolutely, unconditionally and irrevocably waives any and all right to assert any set-off, counterclaim or crossclaim of any nature whatsoever with respect to this Note or Maker's obligations hereunder.

This Note shall be governed by and construed in accordance with the laws of the State of New York without giving effect to principles of conflict or choice of laws.

MAKER HEREBY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF ANY FEDERAL OR STATE COURT IN NEW YORK COUNTY, STATE OF NEW YORK, IN ANY ACTION, SUIT OR PROCEEDING BROUGHT AGAINST IT AND RELATED TO OR IN CONNECTION WITH THIS NOTE OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY. TO THE EXTENT PERMITTED BY APPLICABLE LAW, MAKER HEREBY WAIVES AND AGREES NOT TO ASSERT BY WAY OF MOTION, AS A DEFENSE OR OTHERWISE, IN ANY SUCH SUIT, ACTION OR PROCEEDING ANY CLAIM THAT THE SUIT, ACTION OR PROCEEDING IS BROUGHT IN AN INCONVENIENT FORUM, THAT THE VENUE OF THE SUIT, ACTION OR PROCEEDING IS IMPROPER, OR THAT THIS NOTE OR ANY OTHER DOCUMENT OR INSTRUMENT REFERRED TO HEREIN MAY NOT BE LITIGATED IN OR BY SUCH COURTS.

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At no time shall the rate of interest charged under this Note exceed the maximum rate of interest permitted under applicable law. If at any time the Initial Interest Rate or the Subsequent Interest Rate, whichever the case may be, exceeds such maximum rate, and thereafter such Prescribed Rate or Subsequent Interest Rate is below such maximum rate, then such Prescribed Rate or Subsequent Interest Rate shall be increased to the maximum rate for such period of time as is required so that the total amount of interest received by Holder is that which would have been received by Holder but for the first sentence of this paragraph.

Maker hereby waives presentment, demand for payment, protest, notice of dishonor, and any and all other notices or demands in connection with the delivery, acceptance, performance, default, or enforcement of this Note.

In the event any one or more provisions contained in this Note should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

This Note shall bind the respective successors, assigns and representatives of Maker. This Note shall not be assigned by Maker without Holder's prior written consent.

IN WITNESS WHEREOF, Maker has duly executed this Note the day and year first above written.

LYNCH CORPORATION

By: /s/ John C. Ferrara

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Name: John C. Ferrara  
Title: President and Chief Executive Officer

STATE OF NEW YORK )  
                          ) SS:  
COUNTY OF NEW YORK )

On the 12th day of May, 2005 before me personally came, John C. Ferrara, to me known or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity as President and Chief Executive Officer of Lynch Corporation.

/s/  
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Notary Public

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