

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) May 24, 1996

ODETICS, INC.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	0-10605 (Commission File Number)	95-2588496 (I.R.S. Employer Identification No.)
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1515 South Manchester Avenue, Anaheim, California (Address of principal executive offices)	92802 (Zip code)
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714-774-5000
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

ITEM 5. OTHER EVENTS

Odetics, Inc. ("Odetics") announced on May 24, 1996 that it and ATL Products, Inc., its wholly owned subsidiary ("ATL"), have settled all litigation pending between them and E-Systems, Inc. and EMASS, Inc. (collectively, "E-Systems"). The text of Odetics' announcement is set forth in Exhibit 99 to this Report and is incorporated herein by reference.

As previously reported, the litigation was initiated by Odetics in Superior Court in Los Angeles County, California, in November 1995. E-Systems initiated its own proceeding against Odetics and ATL in the District Court for Dallas County, Texas, in February 1995. In both the California and Texas actions, Odetics and ATL alleged various breaches of contract by E-Systems, which E-Systems denied.

The settlement was effected pursuant to a confidential written Settlement Agreement and General Release between the parties. Pursuant to the Settlement Agreement, E-Systems has paid Odetics approximately \$6.1 million, including an amount designated as a royalty payment on library systems sold by E-Systems which Odetics alleged infringed on its patented technology. The settlement payment will be used to augment Odetics' working capital and for other general corporate purposes.

For its part, Odetics has agreed for a period of five years to provide

spare parts and certain other customer support services for the installed base of DataTowers that Odetics previously sold to E-Systems. The parts and services generally will be provided in accordance with Odetics' general terms and conditions, less a specified discount. Odetics also has agreed to refurbish nine ACL 2640 units in E-Systems' possession and to pay to E-Systems any profits (net of refurbishment and sales costs) realized by Odetics from the sale of the refurbished units and to deliver to E-Systems certain inventories of parts and supplies previously paid for by E-Systems.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits.

The following exhibits included with this report are made part hereof:

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99. Odetics press release dated May 24, 1996	4

2.

SIGNATURES

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.

ODETICS, INC.

Date: May 24, 1996

By: /s/ GREGORY A. MINER

Gregory A. Miner, Chief Financial Officer

3.

ODETICS ANNOUNCES SETTLEMENT WITH E-SYSTEMS

Anaheim, Calif. (May 24, 1996) -- Odetics, Inc., (Nasdaq: ODETA and ODETB) today announced that it reached an agreement with E-Systems to settle all litigation between the parties.

Although specific terms are contained in a confidential agreement, Odetics expects to report a nonrecurring gain from the settlement in the current quarter. The company has filed a form 8K with the Securities and Exchange Commission regarding the settlement.

Joel Slutzky, chairman and chief executive officer for Odetics, stated, "Settling this litigation frees Odetics from a significant distraction of our management resources and stops the litigation-related expenses. Last year, expenses to support this action amounted to \$1.3 million or \$0.13 in earnings per share."

Slutzky added, "We have settled all aspects of the dispute and are satisfied with the agreement."

Odetics Inc. is a leading supplier of digital-data-management products and communications equipment for the mass data storage, television broadcast and video security markets. Odetics' headquarters and its major subsidiaries, ATL Products, Inc., and Gyyr, Inc., are located in Anaheim, Calif., with additional operations in Europe and Asia. For more information about Odetics, its divisions and major subsidiaries see our web site at <http://www.odetics.com/>.