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): May 23, 2007

COMMUNICATIONS SYSTEMS, INC.

(Exact name of Registrant as specified in its charter)

Minnesota	001-31588	41-0957999
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

213 South Main Street Hector, MN	55342
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (320) 848-6231

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-2)

☐ 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))

Sections 1, 2, 4-7 are not applicable and therefore omitted.

ITEM 3.01 NOTICE OF DELISTING OR FAILURE TO SATISFY A CONTINUED LISTING RULE OR STANDARD; TRANSFER OF LISTING

As previously reported in press releases and disclosed in reports on Form 8-K filed with the Securities and Exchange Commission, the Company did not timely file with the Securities and Exchange Commission reports on Form 10-Q for its first three 2007 fiscal quarters and its Report on Form 10-K for the twelve months ended December 31, 2006 (collectively the "2006 SEC Reports"), as a result of which the Company was out of compliance with the continued listing standards of the American Stock Exchange (AMEX) and, due to such noncompliance, the Company's shares were subject to being de-listed from trading on AMEX.

On May 16, 2007 the Company publicly reported that it had filed its 2006 SEC Reports that day with the Securities and Exchange Commission. A copy of the Company's May 16, 2007 press release announcing such filings is attached as Exhibit 99.1. In addition, on May 21, 2007 the Company filed with the Securities and Exchange Commission its definitive proxy statement with respect to its annual shareholders meeting to be held on June 21, 2007 on Schedule 14A which included information which was incorporated by reference into the 2006 Form 10-K Report. As a result of these filings the Company cured previously disclosed deficiencies that affected the continued listing of its securities with the American Stock Exchange under Sections 134 and 1101 of the AMEX Company Guide.

In the Company's May 16, 2007 public announcement, the Company also reported that the filing of its Form 10-Q report for the three months ended March 31, 2007, as well as the announcement of the Company's first quarter 2007 results, would be delayed approximately three weeks. On May 23, 2007 the Company provided guidance with respect to anticipated first quarter 2007 results and also reported that the Company expected to file its March 2007 Form 10-Q report by June 8, 2007. A copy of the Company's May 23, 2007 press release providing such guidance is attached as Exhibit 99.2

On May 23, 2007 the Company received a letter from AMEX advising the Company that, because it had not filed its Form 10-Q report for the quarter ended March 31, 2007, this, in effect, represented a separate deficiency under the AMEX rules and that, in order for the Company to maintain its AMEX listing, the Company must submit a plan to AMEX by June 22, 2007 regarding how the Company intended to achieve compliance with relevant sections of the Company guide by no later than November 23, 2007. As reported above and in the Company's May 23, 2007 press release, the Company expects to file its 2007 first quarter 10-Q by June 8 at which time it believes it will achieve compliance with the relevant sections of the Company Guide.

A copy of the letter from AMEX is attached hereto as Exhibit 99.3 and a copy of the Company's press release announcing receipt of the letter and intended course of action is attached as Exhibit 99.4.

ITEM 8.01 OTHER EVENTS

To supplement information provided in the Company's Reports on Form 8-K for May 22, 2006, May 25, 2006, July 7, 2006, October 16, 2006, January 10, 2007 and March 5, 2007, the information supplied under Item 3.01 above is incorporated herein by reference.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

The following are filed as exhibits to this Current Report:

Exhibit No.	Description of Exhibit
99.1	Press Release issued May 16, 2007
99.2	Press Release issued May 23, 2007
99.3	Letter from the American Stock Exchange (AMEX) dated May 23, 2007
99.4	Press Release issued May 29, 2007 reporting receipt of letter from AMEX

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.

COMMUNICATIONS SYSTEMS, INC.

By /s/ Paul N. Hanson

Paul N. Hanson
Its: Chief Financial Officer

Dated: May 29, 2007

Exhibit 99.1

For Immediate Release

Contact: Curtis A. Sampson, Chairman and Chief Executive Officer
Jeffrey K. Berg, President and Chief Operating Officer
Paul N. Hanson, Vice President – Finance
Telephone – (320) 848-6231

COMMUNICATIONS SYSTEMS, INC. ANNOUNCES 2006 FINANCIAL RESULTS

Hector, MN — May 16, 2007 — Communications Systems, Inc. (AMEX: JCS) today reported its financial results for each of the four quarters and the twelve months ended December 31, 2006. The Company also reported that it has filed its 2006 Form 10-K report as well as its March 2006, June 2006 and September 2006 Form 10-Q reports with the Securities and Exchange Commission. Filing of the 2006 Form 10-K and Form 10-Q reports was delayed due to issues and uncertainties arising from a civil investigation of the Company's JDL Technologies subsidiary that is being conducted by the U.S. Department of Justice ("DOJ") and accounting and internal control issues related to and within JDL Technologies.

JDL has been the subject of the DOJ civil investigation since April 2006. The investigation involves allegations of false claims for E-RATE funding for work performed for the U.S. Virgin Islands Department of Education ("VIDOE"). The parties under investigation include VIDOE, JDL and others. In addition to cooperating with DOJ investigators since April 2006 the Company has conducted its own internal investigation of its VIDOE business. To date the Company has not been notified by the DOJ or any other agency of any program violation or the basis for any other claim. Moreover, as a result of its internal investigation the Company believes that JDL has acted ethically and legally in its dealings with the VIDOE and the E-RATE program and that the DOJ's investigation of JDL will be resolved without material cost to the Company.

The Company's internal investigation of JDL included evaluations of JDL's accounting policies and procedures and internal controls. The Company determined that because JDL's ability to receive E-RATE funds was affected by actions that might have been taken by other individuals or companies involved with the VIDOE and E-RATE programs, JDL might be unable to collect for provided services even though JDL's conduct was compliant with the E-RATE program. It also became apparent in 2006 that JDL's contracts with the VIDOE would not be approved for payment by government authorities until the authorities was satisfied that the VIDOE was operating within the E-RATE program's legal guidelines. Accordingly, after considering the uncertainties created by the DOJ investigation of VIDOE, continuing governmental review of VIDOE's compliance with the E-RATE program and JDL's inability to collect for services provided without E-RATE program approval of its contracts with VIDOE, the Company determined it could not recognize revenue in 2006 from JDL's VIDOE contracts until it received a Funding Commitment Decision Letter ("FCDL") from the government that approved the contracts. The Company will maintain this approach into 2007 and beyond, until it becomes convinced that such approvals are routine and that it is remote funding will not be approved and that financial reports including such revenues can be relied upon as accurate. The Company also uncovered other financial reporting related issues at JDL that, combined with the change in revenue recognition policies, caused the 2006 quarterly operating results the Company is reporting today to vary from the guidance the Company issued in its May, August and November 2006 press releases.

The Company also announced that in April and May 2007, JDL Technologies received a FCDL for each of the contracts to provide maintenance, interconnection and internet access services to VIDOE for the 2005 – 2006 and 2006 – 2007 school years. Accordingly, the Company will recognize $2,555,000 of revenue from these contracts related to services performed in 2006 in its second quarter 2007 financial statements. Additionally, revenue of $ 748,000 related to services performed in the first quarter of 2007 will be recognized in the second quarter of 2007.

The Company also reported that because it has only recently completed its assessment of the accounting and financial reporting issues affecting JDL, the announcement of the Company's first quarter 2007 results and filing of its March 2007 Form 10-Q Report will be delayed approximately three weeks.

<u>Operating Results</u>

2006 sales from continuing operations were $115,440,000, which was consistent with sales of $115,382,000 in 2005. Operating income from continuing operations declined 14% to $5,025,000 from $5,870,000 in 2005. Income from continuing operations before income taxes declined 9% to $5,723,000 from $6,318,000 in 2005. Income from continuing operations declined 2% to $4,495,000 or $.51 per diluted share in 2006 compared to $4,590,000 or $.52 per diluted share in 2005. 2006 results were affected by the change in the Company's revenue recognition policies at JDL Technologies which delayed recognition of $2,555,000 of revenue from the VIDOE from 2006 into the second quarter of 2007. 2006 results were also affected by the adoption of a new accounting pronouncement which required recognition of an expense for stock options of $157,000. The Company sold the operations of Image Systems, Inc. in October 2005. Those operations had a net of income tax loss of $342,000 in 2005. The Company recorded an after-tax gain on the sale of the operations of $222,000. 2005 net income, including discontinued operations, was $4,470,000.

Sales from continuing operations in the fourth quarter ended December 31, 2006 were $26,037,000, down 9% from $28,507,000 in 2005. Operating income from continuing operations increased to $780,000 from $566,000 in 2005. Income from continuing operations before income taxes was $967,000 in 2006 compared to $701,000 in 2005. The Company took a credit against income tax expense of $562,000 in the fourth quarter of 2005 following completion of an examination of the Company's 2002 income tax returns by the Internal Revenue Service. Income from continuing operations was $854,000 or $.10 per diluted share in the fourth quarter of 2006 compared to $1,263,000 or $.14 per diluted share in 2005. Income from discontinued operations, including the sale of Image Systems, was $225,000 or $.03 per share in the fourth quarter of 2005. Fourth quarter 2005 net income, including discontinued operations, was $1,488,000.

<u>Operating Unit Summary:</u>

Suttle, which manufactures and markets connectors and wiring devices for voice, data and video communications had 2006 sales of $42,690,000 compared to sales of $47,324,000 in 2005. Operating income declined to $6,071,000 from $6,909,000 in 2005.

Transition Networks, which designs, assembles and sells media converter devices, Ethernet switches and wireless access points and bridges had 2006 sales of $52,863,000 compared to sales of $46,952,000 in 2005. Operating income increased to $4,760,000 from $1,704,000 in 2005.

JDL Technologies, which provides telecommunications network design, specification, and training services to K-12 educational institutions had 2006 sales of $12,929,000 compared to sales of $15,433,000 in 2005. JDL had a 2006 operating loss of $3,202,000 in 2006 compared to operating income of $590,000 in 2005. As discussed above, in April and May 2007, JDL Technologies' received a FCDL for each of its contracts to provide maintenance, interconnection and internet access services to VIDOE for the 2005 – 2006 and 2006 – 2007 school years and JDL will recognize $2,555,000 of revenue from these contracts related to services performed in 2006 in its second quarter 2007 financial statements. Additionally, revenue of $748,000 related to services performed in the first quarter of 2007 will be recognized in the second quarter of 2007.

Austin Taylor, which provides telephone and data networking products to leading telecommunications companies, distributors and installers throughout the U.K., Europe and the Middle East, had 2006 revenues of $6,958,000 compared to $5,674,000 in 2005. Austin Taylor had operating income of $385,000 in 2006 compared to an operating loss of $935,000 in 2005.

CSI's corporate expenses increased to $2,989,000 in 2006 compared to $2,399,000 in 2005. The Company's income tax expense rate was 21% in 2006 compared to a normal U.S. rate of 34% due to a combination net operating loss tax benefits in the United Kingdom, tax free interest income earned on cash invested in the U.S. and reductions in the Company's tax reserves for exposures to state and foreign income taxes.

Jeffrey K. Berg, President and Chief Operating Officer commented; "Overall we had a good year in 2006 despite the challenges related to the JDL investigation and revenue recognition issues. Austin Taylor, Suttle and Transition Networks stayed focused on their 2006 plans resulting in CSI's positive operating results."

Summary of March, June and September 2006 Quarterly Results

Sales from continuing operations in the first quarter ended March 31, 2006 were $28,376,000 compared to $26,734,000 in 2005. Operating income from continuing operations decreased to $828,000 from $1,504,000 in 2005. Income from continuing operations before income taxes was $994,000 in the first quarter of 2006 compared to $1,594,000 in 2005. Income from continuing operations was $781,000 or $.09 per diluted share in the first quarter of 2006 compared to $1,004,000 or $.11 per diluted share in 2005. Loss from the discontinued operations of Image Systems was $110,000 or $.01 per diluted share in the first quarter of 2005. In May 2006, the Company originally reported first quarter 2006 sales from continuing operations of $27,551,000, operating income from continuing operations of $2,036,000 and income from continuing operations of $1,410,000 or $.16 per diluted share. The changes in reported results were due to changes in revenue recognition and other adjustments at JDL Technologies, reclassification of Austin Taylor operations from discontinued to continuing operations and changes in the Company's estimated income tax obligations.

Sales from continuing operations in the second quarter ended June 30, 2006 were $30,332,000 compared to $28,737,000 in 2005. Operating income from continuing operations increased to $1,465,000 from $738,000 in 2005. Income from continuing operations before income taxes was $1,637,000 in the second quarter of 2006 compared to $830,000 in 2005. Income from continuing operations was $1,266,000 or $.14 per diluted share in the second quarter of 2006 compared to $461,000 or $.06 per diluted share in 2005. Loss from the discontinued operations of Image Systems was $152,000 or $.02 per diluted share in the second quarter of 2005. In August 2006, the Company originally reported second quarter 2006 sales from continuing operations of $30,817,000, operating income from continuing operations of $2,205,000 and income from continuing operations of $1,503,000 or $.17 per diluted share. The changes in reported results were due to changes in revenue recognition and other adjustments at JDL Technologies and changes in the Company's estimated income tax obligations.

Sales from continuing operations in the third quarter ended September 30, 2006 were $30,693,000 compared to $31,404,000 in 2005. Operating income from continuing operations decreased to $1,953,000 from $3,062,000 in 2005. Income from continuing operations before income taxes was $2,126,000 in the third quarter of 2006 compared to $3,192,000 in 2005. Income from continuing operations was $1,595,000 or $.18 per diluted share in the third quarter of 2006 compared to $1,861,000 or $.21 per diluted share in 2005. Loss from the discontinued operations of Image Systems was $84,000 or $.01 per diluted share in the third quarter of 2005. In November 2006, the Company originally reported third quarter 2006 sales from continuing operations of $31,429,000, operating income from continuing operations of $2,991,000 and income from continuing operations of $1,928,000 or $.22 per diluted share. The changes in reported results were due to changes in revenue recognition and other adjustments at JDL Technologies and changes in the Company's estimated income tax obligations.

About Communications Systems, Inc.

Communications Systems, Inc. ("CSI") provides physical connectivity infrastructure and services for cost-effective broadband solutions and is a leading supplier of voice grade connecting devices and wiring systems. CSI serves the broadband market as the world's leading supplier of media conversion technology, which permits networks to deploy fiber optic technology while retaining the copper-based infrastructure already embedded in the network. CSO also supplies copper wire and fiber optic structured wiring systems for broadband networks and line filters for digital subscriber line ("DSL") service. CSI also provides network design, training and management services.

Cautionary Statement: In this press release and, from time to time, in reports filed with the Securities and Exchange Commission, other press releases, and in other communications to shareholders or the investing public, there may be "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. The Company may make forward-looking statements concerning possible or anticipated future financial performance, business activities, plans, pending claims, investigations or litigation which are typically preceded by the words "believes", "expects", "anticipates", "intends" or similar expressions. For such forward-looking statements, the Company claims the protection of the safe harbor for forward-looking statements contained in federal securities laws. Shareholders and the investing public should understand that such forward looking statements are subject to risks and uncertainties which could cause actual performance, activities, anticipated results, outcomes or plans to differ significantly from those indicated in the forward-looking statements. Such risks and uncertainties include, but are not limited to: lower sales to major telephone companies and other major customers; the introduction of competitive products and technologies; our ability to successfully reduce operating expenses at certain business units; the general health of the telecom sector, successful integration and profitability of acquisitions; delays in new product introductions; higher than expected expense related to new sales and marketing initiatives; unfavorable resolution of claims and litigation, availability of adequate supplies of raw materials and components; fuel prices; government funding of education technology spending; and other factors discussed from time to time in the Company's filings with the Securities and Exchange Commission.

Communications Systems, Inc. and Subsidiaries
Selected Balance Sheet Information

	December 31	
	2006	2005
Working capital	$ 68,956,326	$ 67,047,723
Property, plant and equipment, net	8,579,932	8,299,601
Total assets	92,722,839	92,883,364
Long-term liabilities	723,800	1,332,015
Stockholders' equity	82,545,088	79,851,176

Communications Systems, Inc. and Subsidiaries
2006 Summary Income Statements by Quarter

	Three Months Ended				
	March 31	June 30	September 30	December 31	Total
Sales	$ 28,376,888	$ 30,332,392	$ 30,692,833	$ 26,037,457	$ 115,439,570
Costs and expenses:					
Cost of sales	18,894,205	20,435,503	20,239,406	17,283,311	76,852,425
Selling, general and administrative expenses	8,654,733	8,432,171	8,500,285	7,974,572	33,561,761
Total costs and expenses	27,548,938	28,867,674	28,739,691	25,257,883	110,414,186
Operating income	827,950	1,464,718	1,953,142	779,574	5,025,384

Other income and (expenses):					
Investment and other income	174,131	182,757	182,405	188,839	728,132
Interest and other expense	(8,498)	(10,313)	(9,740)	(1,885)	(30,436)
Other income, net	165,633	172,444	172,665	186,954	697,696
Income before income taxes	993,583	1,637,162	2,125,807	966,528	5,723,080
Income tax expense	213,000	371,000	531,000	113,000	1,228,000
Net income	780,583	1,266,162	1,594,807	853,528	4,495,080
Basic net income (loss) per share:	$ .09	$ .15	$ .18	$ .10	$ .52
Diluted net income (loss) per share:	$ .09	$ .14	$ .18	$ .10	$ .51
Average Basic Shares Outstanding	8,739,927	8,731,565	8,723,469	8,726,807	8,722,172
Average Dilutive Shares Outstanding	8,865,583	8,828,562	8,776,677	8,785,013	8,807,377
Dividends per share	$ .08	$ .08	$ .09	$ .09	$ .34

Communications Systems, Inc. and Subsidiaries
2005 Summary Income Statements by Quarter

	Three Months Ended				
	March 31	June 30	September 30	December 31	2005
Sales from continuing operations	$ 26,734,239	$ 28,736,597	$ 31,403,872	$ 28,507,719	$ 115,382,427
Costs and expenses:					
Cost of sales	17,635,249	20,062,003	20,519,929	19,644,265	77,861,446
Selling, general and administrative expenses	7,594,926	7,936,488	7,822,174	8,297,473	31,651,061
Total costs and expenses	25,230,175	27,998,491	28,342,103	27,941,738	109,512,507
Operating income from continuing operations	1,504,064	738,106	3,061,769	565,981	5,869,920
Other income and (expenses):					
Investment and other income	98,797	98,350	139,072	149,237	485,456
Interest and other expense	(8,418)	(6,324)	(8,728)	(14,165)	(37,635)
Other income, net	90,379	92,026	130,344	135,072	447,821
Income from continuing operations before income taxes	1,594,443	830,132	3,192,113	701,053	6,317,741
Income tax expense	590,000	369,000	1,331,000	(562,000)	1,728,000
Income from continuing operations	1,004,443	461,132	1,861,113	1,263,053	4,589,741
Discontinued operations:					
Loss from discontinued operations (net of tax benefits)	(109,764)	(151,770)	(83,815)	225,406	(119,943)
Net loss from discontinued operations	(109,764)	(151,770)	(83,815)	225,406	(119,943)
Net income	894,679	309,362	1,777,298	1,488,459	4,469,798
Basic net income (loss) per share:					
Continuing operations	$ .11	$ .06	$ .22	$ .14	$ .53
Discontinued operations	$ (.01)	$ (.02)	$ (.01)	$ .03	$ (.01)
	$ .10	$ .04	$ .21	$ .17	$ .52
Diluted net income (loss) per share:					
Continuing operations	$ .11	$ .06	$ .21	$ .14	$ .52
Discontinued operations	$ (.01)	$ (.02)	$ (.01)	$ .03	$ (.01)
	$ .10	$ .04	$ .20	$ .17	$ .51
Average Basic Shares Outstanding	8,519,344	8,552,607	8,589,380	8,645,589	8,577,066
Average Dilutive Shares Outstanding	8,719,270	8,688,078	8,718,979	8,792,133	8,715,885
Dividends per share	$ .06	$ .07	$ .07	$ .07	$ .27

Exhibit 99.2

FOR IMMEDIATE RELEASE

Contact: Curtis A. Sampson, Chairman, President and Chief Executive Officer
Jeffrey K. Berg, President and Chief Operating Officer
Paul N. Hanson, Vice President-Finance
Telephone (320) 848-6231

CSI PROVIDES GUIDANCE ON FIRST QUARTER 2007 RESULTS

(Hector, Minnesota) – May 23, 2007 – On May 16, 2007 Communications Systems, Inc. (AMEX: JCS) announced its results for the four quarters and twelve months ended December 31, 2006. The Company also reported on May 16, 2007 that the announcement of its first quarter 2007 results and the filing of its Form 10-Q for the quarter would be delayed approximately three weeks for reasons related to accounting and financial reporting issues affecting its JDL Technologies subsidiary that delayed the reporting of its 2006 quarterly and full year results.

The Company today provided guidance regarding anticipated first quarter 2007 results. The Company announced that unaudited consolidated first quarter 2007 revenues are expected to be in the range of $26.5 million to $27.5 million and net income is expected to be in the range of $325,000 to $575,000. Net income per diluted share is expected to be $.04 to $.06. In the first quarter of 2006 the Comparable reported revenue of $28.4 million, net income of $781,000 and net income per diluted share of $.09.

The Company commented that its 2007 and 2006 results were adversely impacted due to the change in the Company’s revenue recognition policies at JDL Technologies which delayed recognition of revenue from its contracts with the Virgin Islands Department of Education. The Company will recognize $2,555,000 of revenue from these contracts for services performed from January 2006 through December 2006 and $748,000 of revenue for services performed in the first quarter of 2007 in its second quarter 2007 financial statements.

The announcement of the Company’s first quarter 2007 results and filing of its March 2007 Form 10-Q Report are expected to be completed by June 8.

About Communications Systems
Communications Systems, Inc. (“CSI”) provides physical connectivity infrastructure and services for cost-effective broadband solutions and is a leading supplier of voice grade connecting devices and wiring systems. CSI serves the broadband market as the world’s leading supplier of media conversion technology, which permits networks to deploy fiber optic technology while retaining the copper-based infrastructure already embedded in the network. CSI also supplies copper wire and fiber optic structured wiring systems for broadband networks and line filters for digital subscriber line (“DSL”) service. CSI also provides network design, training and management services.

Cautionary Statement: In this press release and, from time to time, in reports filed with the Securities and Exchange Commission, other press releases, and in other communications to shareholders or the investing public, there may be “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. The Company may make forward-looking statements concerning possible or anticipated future financial performance, business activities, plans, pending claims, investigations or litigation which are

typically preceded by the words “believes”, “expects”, “anticipates”, “intends” or similar expressions. For such forward-looking statements, the Company claims the protection of the safe harbor for forward-looking statements contained in federal securities laws. Shareholders and the investing public should understand that such forward looking statements are subject to risks and uncertainties which could cause actual performance, activities, anticipated results, outcomes or plans to differ significantly from those indicated in the forward-looking statements. Such risks and uncertainties include, but are not limited to: lower sales to major telephone companies and other major customers; the introduction of competitive products and technologies; our ability to successfully reduce operating expenses at certain business units; the general health of the telecom sector, successful integration and profitability of acquisitions; delays in new product introductions; higher than expected expense related to new sales and marketing initiatives; unfavorable resolution of claims and litigation, availability of adequate supplies of raw materials and components; fuel prices; government funding of education technology spending; and other factors discussed from time to time in the Company’s filings with the Securities and Exchange Commission.

Exhibit 99.3

James P. Mollen
Director – Listing Qualifications
T 212 306 2391
F 212 306 5359
james.mollen@amex.com

May 23, 2007

Mr. Paul N. Hanson
Vice President and Chief Financial Officer
Communications Systems, Inc.
213 S. Main Street
Hector, MN 55342

RE: Filing Requirements

Dear Mr. Hanson:

The American Stock Exchange (the "AMEX" or "Exchange"), as a self-regulatory organization, has the responsibility to provide a fair and orderly marketplace to issuers and to the investing public. Included in these responsibilities is the obligation to take appropriate steps to insure that companies listed on the AMEX market comply with applicable continued listing standards. Investors in companies listed on the AMEX have a reasonable expectation that those companies comply with such listing standards or, at a minimum, have a plan in place to return to compliance within a specified time.

A review of the Securities and Exchange Commission's (the "SEC") EDGAR database, as well as telephone conversations with Communications Systems, Inc.'s (the "Company") representatives, indicates that the Company has yet to file its Form 10-Q for the quarter ended March 31, 2007. The timely filing of such reports is a condition for the Company's continued listing on the Exchange, as required by Sections 134 and 1101 of the AMEX Company Guide (the "Company Guide").[1] In addition, the Company's failure to timely file these reports is a material violation of its listing agreement with the Exchange and therefore, pursuant to Section 1003(d) of the Company Guide, the Exchange is authorized to suspend and, unless prompt corrective action is taken, remove the Company's securities from the Exchange.

As a result of the foregoing, the Company has become subject to the procedures and requirements of Section 1009 of the Company Guide. Accordingly, the Company must contact me at the telephone number above or Diana Dodi at (212) 306-2396 by May 30, 2007, to confirm receipt of this letter, discuss any new developments of which the Exchange staff may be unaware, and indicate whether or not it intends to submit a plan of compliance as discussed below.

In order to maintain its AMEX listing, the Company must submit a plan by June 22, 2007, advising the Exchange of action it has taken, or will take, that would bring the Company into compliance with Sections 134 and 1101 of the Company Guide no later than November 23, 2007 (the "Plan"). The Plan should include any specific milestones and details related to completion of the filings, including any applicable documentation.

1 The AMEX Company Guide may be accessed at www.amex.com.

The Listing Qualifications Department management will evaluate the Plan, including any supporting documentation, and make a determination as to whether the Company has made a reasonable demonstration in the Plan of an ability to regain compliance with all applicable continued listing standards by November 23, 2007, in which case the Plan will be accepted. If the Plan is accepted, the Company will remain listed during the plan period, during the time it will be subject to periodic review to determine whether it is making progress consistent with the Plan.[2]

Please be advised that, if the Company does not submit a Plan, or submits a Plan that is not accepted, it will be subject to delisting proceedings. Furthermore, if the Plan is accepted but the Company is not in compliance with the continued listing standards by November 23, 2007, or does not make progress consistent with the Plan during the Plan period, the Exchange staff will initiate delisting procedures as appropriate. The Company may appeal a staff determination to initiate delisting proceedings in accordance with Section 1010 and Part 12 of the Company Guide.

This letter constitutes notice of a failure to satisfy certain of the Exchange's continued listing standards. The Company is therefore required to file a current report on Form 8-K pursuant to Item 3.01 of that Form within the requisite time periods. The Company must also issue a press release, pursuant to Section 402 of the Company Guide, contemporaneously with the filing of the Form 8-K that discloses receipt of this letter and the fact that it is not in compliance with the specified provisions of the AMEX continued listing standards.3 Please note, however, that satisfying these filing and publication requirements does not relieve the Company of its obligation to assess the materiality of this letter on an ongoing basis under the federal securities laws nor does it provide a safe harbor under the federal securities laws or otherwise. Accordingly, the Company should consult with securities counsel regarding disclosure and other obligations mandated by law.

Additionally, please be advised that the Company will continue to be included in a list of issuers that are not in compliance with the Exchange's continuing listing standards. This list is posted daily on www.amex.com and includes the specific listing standard(s) that the Company is not compliant with. Furthermore, the Exchange is utilizing the financial status indicator fields in the Consolidate Tape Association's Consolidated Tape System ("CTS") and Consolidated Quote Systems ("CQS") Low Speed and High Speed Tapes to identify companies that are noncompliant with the Exchange's continued listing standards and/or are delinquent with respect to a required federal securities law periodic filing. Therefore, the Company remains subject to the indicator .LF to denote its noncompliance.4 The indicator does not change the Company's trading symbol itself, but will continue to be disseminated as an extension of the Company's symbol on the CTS and CQS whenever the Company's trading symbol is transmitted with a quotation or trade. Both the website posting and the indicator will remain in effect until such time as the Company has regained compliance with all applicable continued listing standards.

This letter and any response may constitute non-public information in accordance with federal securities laws, and you may wish to consult with your legal counsel about the Company's obligations in this regard. The only designated representatives at the Exchange with which this matter should be discussed are staff members of the

2 In the event the Company's Plan of compliance is accepted, the Company will be required to issue a press release disclosing the fact that it is not in compliance with the continued listing standards of the AMEX and that its listing is being continued pursuant to an extension. The press release must be issued within five (5) business days from notification that the Plan has been accepted.

3 This notice should be provided to the AMEX StockWatch Department (telephone: 212-306-8383; facsimile: 212-306-1488) and the Listing Qualifications Department (telephone: 212-306-1331; facsimile: 212-306-5359).

4 Please note that companies that do not comply with the Exchange's qualitative and quantitative continued listing standards will become subject to the website posting and indicator .BC.

Listing Qualifications and StockWatch Departments. Further, as I am sure you are aware, pursuant to 910 of the Company's Guilde, AMEX Specialists must be treated as members of the public and, accordingly, no non-public information should be discussed with or otherwise disclosed to the Company's specialist.

The AMEX remains hopeful that the Company will be able to maintain its listing. If you are in need of any assistance in this matter, please do not hesitate to contact me at the telephone number above or Diana Dodi at (212) 306-2396.

Sincerely,

/s/ James Mollen

James Mollen

Exhibit 99.4

May 29, 2007

Contact: Curtis A. Sampson, Chairman, President and Chief Executive Officer
Jeffrey K. Berg, President and Chief Operating Officer
Paul N. Hanson, Vice President-Finance
Telephone (320) 848-6231

CSI REPORTS ON STATUS OF COMPLIANCE WITH AMEX LISTING STANDARDS

(Hector, Minnesota) – May 29, 2007 -- Communications Systems, Inc. (AMEX: JCS) reported today on the status of its efforts to return to full compliance with the continued listing standards of the American Stock Exchange (AMEX).

On May 16, 2007, as previously reported, the Company filed with the Securities and Exchange Commission its 2006 Form 10-K Report, as well as its quarterly reports on Form 10-Q for the three, six and nine month periods ended March 31, 2006, June 30, 2006 and September 31, 2006. On May 21, 2007, the Company filed its definitive proxy statement for its June 21, 2007 Annual Meeting of Shareholders which included information that was incorporated by reference into the 2006 Form 10-K report. As a result of making such filings the Company cured previously reported deficiencies with respect to its compliance with AMEX's continued listing standards.

On May 16, 2007, the Company also reported that the filing of its quarterly report on Form 10-Q for the quarter ended March 31, 2007 would be delayed approximately three weeks. On May 23, 2007, the Company received a letter from AMEX advising the Company that because it did not timely file the Form 10-Q report for its 2007 first quarter this represented a separate deficiency under AMEX's listing standards and that, in order to maintain its listing, the Company must submit a plan to AMEX by June 22, 2007 regarding how the Company intended to cure this deficiency. As reported on May 23, 2007, the Company expects to file its Form 10-Q report for its 2007 first quarter by June 8, 2007 and, upon such filing, the Company believes it will return to full compliance with AMEX's continued listing standards.

About the Company

Communications Systems, Inc. ("CSI") provides physical connectivity infrastructure and services for cost-effective broadband solutions and is a leading supplier of voice grade connecting devices and wiring systems. CSI serves the broadband market as the world's leading supplier of media conversion technology, which permits networks to deploy fiber optic technology while retaining the copper-based infrastructure already embedded in the network. CSI also supplies copper wire and fiber optic structured wiring systems for broadband networks and line filters for digital subscriber line ("DSL") service. CSI also provides network design, training and management services.

Cautionary Statement: In this press release and, from time to time, in reports filed with the Securities and Exchange Commission, other press releases, and in other communications to shareholders or the investing public, there may be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. The Company may make forward-looking statements concerning possible or anticipated future financial performance, business activities, plans, pending claims, investigations or litigation which are typically preceded by the words "believes", "expects", "anticipates", "intends" or similar expressions. For such forward-looking statements, the Company claims the protection of the safe harbor for forward-looking statements contained in federal securities laws. Shareholders and the investing public should understand that such forward looking statements are subject to risks and uncertainties which could cause actual performance, activities, anticipated results, outcomes or plans to differ significantly from those indicated in the forward-looking statements. Such risks and uncertainties include, but are not limited to: lower sales to major telephone companies and other major customers; the introduction of competitive products and technologies; our ability to successfully reduce operating expenses at certain business units; the general health of the telecom sector, successful integration and profitability of acquisitions; delays in new product introductions; higher than expected expense related to new sales and marketing initiatives; unfavorable resolution of claims and litigation, availability of adequate supplies of raw materials and components; fuel prices; government funding of education technology spending; and other factors discussed from time to time in the Company's filings with the Securities and Exchange Commission.