
**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): **March 16, 2010**

COMMUNICATIONS SYSTEMS, INC.

(Exact name of Registrant as specified in its charter)

Minnesota
(State or other jurisdiction
of incorporation)

001-31588
(Commission File Number)

41-0957999
(I.R.S. Employer Identification No.)

10900 Red Circle Drive, Minnetonka, MN
(Address of principal executive offices)

55343
(Zip Code)

Registrant's telephone number, including area code **(952) 996-1674**

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))
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ITEM 2.02. Results of Operations and Financial Condition

On March 16, 2010, the Registrant issued a press release, a copy of which is attached as Exhibit 99.1 to this Current Report on Form 8-K and incorporated by reference herein.

Note: The information in this report (including the exhibit) is furnished pursuant to "Item 2.02. Results of Operations and Financial Condition" and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, unless incorporated by specific reference in such filing.

ITEM 9.01. Financial Statements and Exhibits

- (a) Not applicable
- (b) Not applicable
- (c) Not applicable
- (d) Exhibits

The following are filed as exhibits to this Current Report:

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
99.1	Press Release issued March 16, 2010

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/ David T. McGraw
David T. McGraw
Its: Chief Financial Officer

Dated: March 18, 2010

For Immediate Release:

Contact: Jeffrey K. Berg, President and Chief Executive Officer
David T. McGraw, Vice President – Finance and Chief Financial Officer
Telephone 952-996-1674

Communications Systems, Inc. Reports Fourth Quarter and Full Year 2009 Results

Minnetonka, MN ---- March 16, 2009----- Communications Systems, Inc. (NASDAQ: JCS) today reported 2009 net income of \$6,044,000, or \$0.72 per diluted share, on sales of \$109,792,000. In 2008, the Company earned \$6,611,000, or \$0.77 per diluted share, on sales of \$122,700,000. During the 2009 fourth quarter, the Company posted net income of \$1,211,000, or \$0.14 per diluted share, on sales of \$26,336,000, as compared to net income of \$1,370,000, or \$0.17 per diluted share, in the 2008 fourth quarter on sales of \$28,405,000. Further information regarding 2009 results is provided in the Company's Annual Report on Form 10-K that is being filed on or about March 17, 2010 with the Securities and Exchange Commission.

Jeffrey K. Berg, President and CEO, commented: "We are pleased with our 2009 fourth quarter and full year results. Despite a severe decline in residential and commercial construction and a global recession, which significantly affected sales at our three manufacturing business units, we reduced the impact to our bottom line through cost controls and other measures. Our employees are doing an outstanding job of managing through these challenging times, while continuing to prepare CSI and its business units for growth and increased profitability as business conditions improve.

David T. McGraw, Vice President of Finance and CFO, also commented: "CSI continues its history of generating strong cash flows. Net cash from operations in 2009 was \$17,637,000 compared to \$10,222,000 in 2008, primarily as a result of planned decreases in inventories and improved cash collection. At December 31, 2009, CSI's cash, cash equivalents and investments were \$40,069,000 compared to \$29,952,000 at the end of 2008, despite using approximately \$4.6 million in cash for stock dividends and stock buy-back programs during the year."

Cautionary Statement

From time to time, in reports filed with the Securities and Exchange Commission, in press releases, and in other communications to shareholders or the investing public, the Communications Systems Inc. may make forward-looking statements concerning possible or anticipated future financial performance, business activities or plans which are typically preceded by the words "believes," "expects," "anticipates," "intends" or similar expressions. For these 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 these forward-looking statements are subject to risks and uncertainties, including those disclosed in our periodic filings with the SEC, which could cause actual performance, activities or plans after the date the statements are made to differ significantly from those indicated in the forward-looking statements when made.

About Communications Systems

Communications Systems, Inc. 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 network market as the world's leading supplier of media conversion technology, that permits networks to deploy fiber optic technology while retaining the copper-based infrastructure already embedded in the network. In addition, CSI supplies copper wire and fiber optic structured wiring systems for broadband networks, as well as line filters for digital subscriber line service. CSI also provides network design, training and management services.

CSI CONSOLIDATED SUMMARY OF EARNINGS
Selected Income Statement Data

	<u>Three Months Ended December 31, 2009</u>	<u>Three Months Ended December 31, 2008</u>	<u>Twelve Months Ended December 31, 2009</u>	<u>Twelve Months Ended December 31, 2008</u>
Sales	\$ 26,335,650	\$ 28,404,879	\$ 109,792,207	\$ 122,699,678
Gross margin	10,551,190	10,452,447	41,848,650	46,691,516
Operating income	2,324,979	2,219,411	10,218,533	10,583,587
Income before income taxes	2,326,516	2,240,088	10,799,340	11,181,292
Income taxes	1,115,520	869,875	4,755,695	4,569,875
Net income	\$ 1,210,996	\$ 1,370,213	\$ 6,043,645	\$ 6,611,417
Basic net income per share	\$ 0.15	\$ 0.17	\$ 0.72	\$ 0.77
Diluted net income per share	\$ 0.14	\$ 0.17	\$ 0.72	\$ 0.77
Cash dividends per share	\$ 0.14	\$ 0.12	\$ 0.52	\$ 0.48
Average basic shares outstanding	8,348,538	8,282,348	8,339,180	8,539,396
Average dilutive shares outstanding	8,374,894	8,284,812	8,352,084	8,562,533

Selected Balance Sheet Data

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Total assets	\$ 102,913,694	\$ 98,737,791
Cash , cash equivalents and investments	40,069,291	29,951,561
Property, plant and equipment, net	13,321,825	12,014,541
Long-term liabilities	4,220,403	4,918,716
Stockholders' equity	85,939,293	83,728,143
