

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 18, 2022

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)

(952) 996-1674

Registrant's Telephone Number, Including Area Code

Securities registered pursuant to Section 12(b) of the Act

Title of Each Class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value, \$.05 per share	JCS	The Nasdaq Stock Market

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
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.03. Amendment to Articles of Incorporation.

Effective March 18, 2022, Communications Systems, Inc. (the "Company") amended its articles of incorporation to implement a 1-for-4 reverse stock split.

As a result of the reverse stock split, at 5:00 p.m. Central Time on March 18, 2022, every four shares of common stock then issued and outstanding automatically were combined into one share of common stock, with no change in the \$0.05 par value per share. No fractional shares will be outstanding following the reverse stock split. The articles of amendment provide that no fractional shares will be issued; the Company will settle any fractional share resulting from the reverse stock split in cash.

Through the articles of amendment, the total number of shares of common stock authorized for issuance was reduced to 7,500,000 in proportion to the reverse stock split. The articles of amendment did not change the authorized number of shares of preferred stock, \$1.00 par value, which remains at 3,000,000. The text of the articles of amendment is attached hereto as Exhibit 3.1 and incorporated herein by reference.

The Company's common stock will begin trading on a post-split basis when the market opens on March 21, 2022.

Item 7.01. Regulation FD Disclosure.

On March 18, 2022, the Company issued a press release announcing the reverse stock split, the text of which is furnished as Exhibit 99.1 attached hereto.

Item 8.01. Other Events.

Immediately prior to the reverse stock split, the Company had 9,720,627 shares outstanding, which will be proportionately reduced for the 1-for-4 reverse stock split.

The CUSIP identifier for the Company's common stock following the reverse stock split is 203900 204. Following the reverse stock split, the Company's common stock will be uncertificated and will be registered on the Direct Registration System (also known as DRS or book entry).

Section 9.01. Financial Statements and Exhibits.

Exhibit	Description
<u>3.1</u>	<u>Articles of Amendment of Articles to Incorporation of Communications Systems, Inc. (effective as of March 18, 2022)</u>
<u>99.1</u>	<u>Communications Systems, Inc. Press Release dated March 18, 2022.</u>

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/ Mark D. Fandrich
Mark D. Fandrich, Chief Financial Officer

Date: March 18, 2022

**ARTICLES OF AMENDMENT TO
ARTICLES OF INCORPORATION
OF
COMMUNICATIONS SYSTEMS, INC.**

The undersigned, an officer of Communications Systems, Inc., a Minnesota corporation, (the “**Corporation**”) hereby certifies that:

1. The following Amendment to Article V of the Articles of Incorporation of the Corporation was adopted by the Board of Directors of the Corporation and by the shareholders of the Corporation pursuant to and in accordance with Minnesota Statutes, Chapter 302A.
2. Article V of the Corporation’s Articles of Incorporation shall be deleted in its entirety and replaced with the following effective at 5:00 p.m. Central Time on March 18, 2022 (the “**Effective Time**”):

ARTICLE V

Capital Stock

The authorized capital stock of this corporation shall be Seven Million Five Hundred Thousand (7,500,000) shares of Common Stock of the par value of five cents (\$.05) per share (the “Common Stock”) and Three Million (3,000,000) shares of Preferred Stock of the par value of One Dollar (\$1.00) per share (the “Preferred Stock”).

The designations and the powers, preferences and rights, and the qualifications, limitations or restrictions of the shares of each class of stock shall be as follows:

SECTION 1. *Preferred Stock*. The Preferred Stock may be issued from time to time by the Board of Directors as shares of one or more series. Subject to the provisions hereof and the limitations prescribed by law, the Board of Directors is expressly authorized, by adopting resolutions providing for the issuance of shares of any particular series and, if and to the extent from time to time required by law, by filing with the Minnesota Secretary of State a statement with respect to the adoption of the resolutions pursuant to the Minnesota Business Corporation Act (or other law hereafter in effect relating to the same or substantially similar subject matter), to establish the number of shares to be included in each such series and to fix the designation and relative powers, preferences and rights and the qualifications and limitations or restrictions thereof relating to the shares of each such series. The authority of the Board of Directors with respect to each series shall include, but not be limited to, determination of the following:

- (a) the distinctive serial designation of such series and the number of shares constituting such series, provided that the aggregate number of shares constituting all series of Preferred Stock shall not exceed Three Million (3,000,000);
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- (b) the annual dividend rate on shares of such series, if any, whether dividends shall be cumulative and, if so, from which date or dates;
- (c) whether the shares of such series shall be redeemable and, if so, the terms and conditions of such redemption, including the date or dates upon and after which such shares shall be redeemable, and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates;
- (d) the obligation, if any, of the corporation to retire shares of such series pursuant to a sinking fund;
- (e) whether shares of such series shall be convertible into, or exchangeable for, shares of stock of any other class or classes and, if so, the terms and conditions of such conversion or exchange, including the price or prices or the rate or rates of conversion or exchange and the terms of adjustment, if any;
- (f) whether the shares of such series shall have voting rights, in addition to the voting rights provided by law, and, if so, the terms of such voting rights;
- (g) the rights of the shares of such series in the event of voluntary or involuntary liquidation, dissolution or winding up of the corporation; and
- (h) any other relative rights, powers, preferences, qualifications, limitations or restrictions thereof relating to such series.

The shares of Preferred Stock of any one series shall be identical with each other in all respects except as to the dates from and after which dividends thereon shall cumulate, if cumulative.

SECTION 2. *Common Stock.* Subject to all of the rights of the Preferred Stock, and except as may be expressly provided with respect to the Preferred stock herein, by law or by the Board of Directors pursuant to this Article V:

- (a) dividends may be declared and paid or set apart for payment upon the Common Stock out of any assets or funds of the corporation legally available for the payment of dividends;
 - (b) the holders of Common Stock shall have the exclusive right to vote for the election of directors and on all other matters requiring stockholder action, each share being entitled to one vote; and
 - (c) upon the voluntary or involuntary liquidation, dissolution or winding up of the corporation, the net assets of the corporation shall be distributed pro rata to the holders of the Common Stock in accordance with their respective share ownership.
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3. The amendment set forth above concerns a 1-for-4 reverse split of the common stock of the Corporation. Such combination is being effected as follows:

A. at the Effective Time, every four (4) shares of common stock then outstanding will be combined into one (1) share of common stock of the Corporation;

B. at the Effective Time, each certificate representing shares of the authorized but unissued capital stock of the Corporation or book entries for the same recorded by the Corporation's transfer agent and registrar will be deemed to represent one-fourth (1/4) of the number of shares held of record by such shareholder of record as of the Effective Time; and

C. in lieu of the issuance of any fractional share may arise as a result of the foregoing combination, such holder of common stock of record at the Effective Time shall receive a cash payment, without interest, in lieu thereof in an amount equal to the fraction to which such shareholder would otherwise be entitled multiplied by the closing price of the common stock on the Nasdaq Stock Market on the date that includes the Effective Time; provided, however, holders of certificated shares must first surrender the certificates representing such pre-split shares.

IN WITNESS WHEREOF, I have hereunto set my hand on March 18, 2022.

COMMUNICATIONS SYSTEMS, INC.

By /s/ Mark D. Fandrich
Mark D. Fandrich
Chief Financial Officer

Communications Systems, Inc. Announces Reverse Stock Split Effective March 18, 2022

MINNEAPOLIS, MN – March 18, 2022 – Communications Systems, Inc. (Nasdaq: JCS) announced today that effective at 5:00 p.m. Central Time on March 18, 2022, the Company will implement a one-for-four reverse stock split of its outstanding common stock. The Company's common stock will continue to trade under the symbol "JCS" and it is expected to open for trading on Nasdaq on March 21, 2022 on a post-split basis.

The reverse stock split is primarily intended to allow the Company to achieve one of the criteria of its continued listing application to the Nasdaq Stock Market following the completion of the previously announced proposed merger transaction with Pineapple Energy LLC, subject to CSI shareholder approval.

Upon the effectiveness of the reverse stock split, every four shares of issued and outstanding Company common stock at the close of business on March 18, 2022 will be automatically combined into one issued and outstanding share of common stock, with no change in par value per share.

The reverse stock split reduces the number of shares of the Company's authorized common stock from 30,000,000 to 7,500,000. No fractional shares will be issued as a result of the reverse stock split. Any fractional shares that would have resulted from the reverse stock split will be settled in cash. The reverse stock split will affect all common shareholders uniformly and will not alter any shareholder's percentage interest in the Company's common stock, except to the extent that the reverse stock split results in some shareholders experiencing an adjustment of a fractional share as described above.

Shareholders holding share certificates will receive information from EQ Shareowner Services, the Company's transfer agent, regarding the process for exchanging their shares of common stock. Shareholders with questions may contact our transfer agent by calling 800-401-1957.

About Communications Systems, Inc.

Communications Systems, Inc. (Nasdaq: JCS), has operated as an IoT intelligent edge products and services company. For more information regarding CSI, please see www.commsystems.com.

Additional Information and Where to Find It; Participants in the Solicitation

In connection with the proposed merger with Pineapple, Communications Systems, Inc. ("CSI") filed a registration statement on Form S-4 (File No. 333-260999) with the Securities and Exchange Commission (SEC) on November 12, 2021 (as amended, the "Registration Statement"). The Registration Statement includes a proxy statement/prospectus, and was declared effective by the SEC on February 3, 2022. Beginning February 4, 2022, a copy of the proxy statement/prospectus dated February 3, 2022 was sent to CSI shareholders as of the close of business on January 27, 2022, the record date established for the special meeting.

On March 16, 2022 CSI announced that it conducted its special meeting of shareholders and adjourned the meeting solely with respect to Proposal #1, the proposal to approve the merger transaction with Pineapple Energy LLC. The adjourned special meeting will be held on Wednesday, March 23, 2022 at 1:00 p.m. Central Time.

CSI URGES INVESTORS, SHAREHOLDERS AND OTHER INTERESTED PERSONS TO READ THE REGISTRATION STATEMENT AND PROXY STATEMENT/PROSPECTUS, AND ANY AMENDMENTS OR SUPPLEMENTS THERETO, AND ANY OTHER DOCUMENTS TO BE FILED WITH THE SEC IN CONNECTION WITH THE MERGER BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION.

The Registration Statement, preliminary and definitive proxy statement/prospectus, any other relevant documents, and all other documents and reports CSI filed with or furnishes to the SEC are (or, when filed, will be) available free of charge under the "Financial Reports" tab of the Investors Relations section of our website at www.commsystems.com or by directing a request to: Communications Systems, Inc., 10900 Red Circle Drive, Minnetonka, MN 55343. The contents of the CSI website is not deemed to be incorporated by reference into this press release, the Registration Statement, or the proxy statement/prospectus. The documents and reports that CSI files with or furnishes to the SEC are (or, when filed, will be) available free of charge through the website maintained by the SEC at <http://www.sec.gov>.

CSI and its directors and executive officers may be considered participants in the solicitation of proxies by CSI in connection with approval of the proposed merger and other proposals to be presented at the special meeting. Information regarding the names of these persons and their respective interests in the transaction, by securities holdings or otherwise, are set forth in the proxy statement/prospectus dated February 3, 2022. To the extent the Company's directors and executive officers or their holdings of the Company's securities have changed from the amounts disclosed in such filing, to the Company's knowledge, these changes have been reflected on statements of change in ownership on Form 4 on file with the SEC. You may obtain these documents (when they become available, as applicable) free of charge through the sources indicated above.

Forward Looking Statements

This press release includes certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding future financial performance, future growth, and future acquisitions. These statements are based on Communications Systems' current expectations or beliefs and are subject to uncertainty and changes in circumstances. There can be no guarantee that the proposed transactions described in this press release will be completed, or that they will be completed as currently proposed, or at any particular time. Actual results may vary materially from those expressed or implied by the statements here due to changes in economic, business, competitive or regulatory factors, and other risks and uncertainties affecting the operation of Communications Systems' business.

These risks, uncertainties and contingencies are presented in the Company's Annual Report on Form 10-K and, from time to time, in the Company's other filings with the Securities and Exchange Commission. The information set forth herein should be read considering such risks. Further, investors should keep in mind that the Company's financial results in any period may not be indicative of future results. Communications Systems is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements, whether because of new information, future events, changes in assumptions or otherwise. In addition to these factors, there are several additional factors, including:

- the conditions to the closing of CSI-Pineapple merger transaction may not be satisfied;
 - the occurrence of any other risks to consummation of the CSI-Pineapple merger transaction, including the risk that the CSI-Pineapple merger transaction will not be consummated within the expected time period or any event, change or other circumstances that could give rise to the termination of the CSI-Pineapple merger transaction;
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- the CSI-Pineapple merger transaction has involved greater than expected costs and delays and may in the future involve unexpected costs, liabilities or delays;
- the Company's ability to sell its other legacy operating business assets and its real estate assets at attractive values;
- there is no assurance that CSI will receive any of the maximum \$7.0 million earnout relating to the August 2, 2021 sale of CSI's Electronics & Software Segment;
- the combined company will be entitled to retain ten percent of the net proceeds of CSI legacy assets that are sold pursuant to agreements entered into after the effective date of the merger;
- risks that the merger will disrupt current CSI plans and operations or that the business or stock price of CSI may suffer as a result of uncertainty surrounding the CSI-Pineapple merger transaction;
- the outcome of any legal proceedings related to the CSI-Pineapple merger transaction;
- the fact that CSI cannot yet determine the exact amount and timing of any additional pre-CSI-Pineapple merger cash dividends, if any, or the ultimate value of the Contingent Value Rights that CSI intends to distribute to its shareholders immediately prior to the closing of the CSI-Pineapple merger transaction; and
- the anticipated benefits of the proposed merger transaction with Pineapple may not be realized in the expected timeframe, or at all.

Contacts:

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