

COMMUNICATIONS SYSTEMS INC

Form 4

April 08, 2015

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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Check this box
 if no longer
 subject to
 Section 16.
 Form 4 or
 Form 5
 obligations
 may continue.
See Instruction
 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
 Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
SAMPSON CURTIS A

2. Issuer Name **and** Ticker or Trading
 Symbol
**COMMUNICATIONS SYSTEMS
 INC [JCS]**

5. Relationship of Reporting Person(s) to
 Issuer

(Check all applicable)

(Last) (First) (Middle)
PO BOX 777, S MAIN ST
 (Street)

3. Date of Earliest Transaction
 (Month/Day/Year)
04/03/2015

☒ Director ☐ 10% Owner
☐ Officer (give title below) ☐ Other (specify below)

HECTOR, MN 55342

(City) (State) (Zip)

4. If Amendment, Date Original
 Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check
 Applicable Line)
☒ Form filed by One Reporting Person
☐ Form filed by More than One Reporting
 Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V Amount (D) Price			

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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 information contained in this form are not
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SEC 1474
 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Underlying (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)						
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	
Non-Qualified Stock Options	\$ 12.9	04/03/2015	D ⁽¹⁾		4,112		05/31/2015 ⁽¹⁾	07/01/2021	Common Stock	
Non-Qualified Stock Options	\$ 11.7	04/03/2015	D ⁽¹⁾		3,415		06/04/2015 ⁽¹⁾	06/04/2021	Common Stock	
Restricted Stock Units	\$ 0 ⁽²⁾	04/03/2015	A ⁽¹⁾		775		05/31/2015 ⁽¹⁾⁽³⁾	07/01/2021	Common Stock	
Restricted Stock Units	\$ 0 ⁽²⁾	04/03/2015	A ⁽¹⁾		598		06/04/2015 ⁽¹⁾⁽⁴⁾	06/04/2021	Common Stock	

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
SAMPSON CURTIS A PO BOX 777 S MAIN ST HECTOR, MN 55342	X

Signatures

Suzette McNally, Attorney-in-Fact for Curtis A.
Sampson

04/08/2015

 Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- (1) Options and restricted stock units ("RSU") are issued to non-employee directors ("NEDs") under the Issuer's Executive Incentive Compensation Plan ("2011 Plan"). In March 2015, the CSI Board determined the number of shares covered by the 2014 option and RSU awards to CSI NEDs exceeded the 50000 share limit on allowable awards to all NEDs in a calendar year. To reduce the total number of shares to less than 50000 on 4/3/15, the Board, based on authority granted in the 2011 Plan, cancelled a total of 34551 options granted to NEDs in 2014 and issued additional RSUs covering 6282 shares to the NEDs, vesting on the same dates as the original RSUs granted. The dollar value of the new RSUs granted was equivalent to the value of the options cancelled. This cancellation of options and issuance of RSUs will have no material effect on the company's financial statements. The cancellation of options and issuance of RSUs for Reporting Person are part of the CSI Board's 4/3/15 actions.
- (2) Each Restricted Stock Unit represents a contingent right to receive one share of Communications Systems, Inc. common stock.
- (3) The Restricted Stock Units vest on May 31, 2015 as long as director continues service to the Board prior to the vesting date. The Restricted Stock Units have an additional year of restriction and stock will be issued on July 1, 2016.
- (4)

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The Restricted Stock Units vest on the earlier of the first anniversary of the date of grant or the 2015 Annual Meeting of Shareholders as long as the director continues service to the Board prior to the vesting date. The Restricted Stock Units have an additional year of restriction and stock will be issued on June 4, 2016.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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