

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-8

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Communications Systems, Inc.

(Exact name of registrant as specified in its charter)

Minnesota
(State or other jurisdiction of
incorporation or organization)

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

10900 Red Circle Drive
Minnetonka, Minnesota 55343
(Address of Principal Executive Offices and zip code)

1990 EMPLOYEE STOCK PURCHASE PLAN
(Full title of the Plan)

David T. McGraw
Chief Financial Officer
Communications Systems, Inc.
10900 Red Circle Drive
Minnetonka, Minnesota 55343
(952) 996-1674
(Name, address, and telephone number of agent for service)

Copy to:
Richard A. Primuth, Esq.
Lindquist & Vennum P.L.L.P.
4200 IDS Center
80 South Eighth Street
Minneapolis, MN 55402
(612) 371-3211

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company.

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer

Smaller Reporting Company

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Amount to be Registered	Proposed Maximum Offering Price Per Share(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
Common Stock, \$.05 par value per share	100,000 shares (2)	\$11.97 (1)	\$1,197,000	\$85.35

(1) Estimated solely for the purpose of determining the registration fee pursuant to Rule 457(c) and (h) and based upon the closing price of the Company's Common Stock as reported on NASDAQ on August 12, 2009.

(2) 100,000 shares (as adjusted for a stock split in 1993) were registered on Form S-8 (File No. 33-39862) on April 8, 1991. 100,000 shares were registered on Form S-8 (File No. 33-99564) on November 20, 1995. 200,000 shares were registered on Form S-8 (File No. 333-98323) on August 19, 2002. 100,000 shares are being registered herewith.

**INCORPORATION OF CONTENTS OF
REGISTRATION STATEMENT BY REFERENCE**

A Registration Statement on Form S-8 (File No. 33-39862) was filed with the Securities and Exchange Commission on April 11, 1991 covering the registration of 100,000 shares (as adjusted for a stock split in 1993) initially authorized for issuance under the Company's 1990 Employee Stock Purchase Plan (the "Plan"). A Registration Statement on Form S-8 (File No. 33-99564) was filed with the Securities and Exchange Commission on November 20, 1995 covering the registration of an additional 100,000 shares authorized for issuance under the Plan. A Registration Statement on Form S-8 (File No. 333-98323) was filed with the Securities and Exchange Commission on August 19, 2002 covering the registration of an additional 200,000 shares authorized for issuance under the Plan. Pursuant to General Instruction E of Form S-8 and Rule 429, this Registration Statement is being filed to register an additional 100,000 shares authorized under the Plan. An amendment to the Plan to increase the reserved and authorized number of shares under the Plan by another 100,000 was authorized by the Company's Board of Directors on December 30, 2008 and such amendment was approved by the Company's shareholders on May 21, 2009. This Registration Statement should be considered a post-effective amendment to prior Registration Statements. The contents of the prior Registration Statements (File Nos. 33-39862, 33-99564 and 333-98323) are incorporated herein by reference.

PART I

Pursuant to the Note to Part I of Form S-8, the information required by Items 1 and 2 of Form S-8 is not filed as a part of this Registration Statement.

PART II

Item 3. Incorporation of Documents by Reference.

The following documents filed with the Securities and Exchange Commission are hereby incorporated by reference herein:

- (a) The Annual Report of the Company on Form 10-K for the year ended December 31, 2008.
- (b) The Company's Definitive Proxy Statement dated April 6, 2009 for the Annual Meeting of Shareholders held on May 21, 2009.
- (c) The Company's Quarterly Reports filed on Form 10-Q for periods ending March 31, 2009 and June 30, 2009.
- (d) The description of the Company's Common Stock contained in its Registration Statement on Statement on Form S-1 dated June 17, 1983 (Registration No. 2-84100), including any amendment or report filed for the purpose of updating such description.

All documents subsequently filed by the Company pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference in this Registration Statement and to be a part hereof from the date of filing of such documents.

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Item 4. Description of Securities.

Not applicable.

Item 5. Interests of Named Experts and Counsel.

Not applicable.

Item 6. Indemnification of Directors and Officers.

The Company Bylaws provide that the Registrant shall indemnify any person made or threatened to be made a party to any threatened, pending or completed civil, criminal, administrative, arbitration or investigative proceeding, including a proceeding by or in the right of the corporation, by reason of the former or present official capacity of the person, provided the person seeking indemnification meets five criteria set forth in Section 302A.521 of the Minnesota Business Corporation Act.

The Registrant's Bylaws also authorize the Board of Directors, to the extent permitted by applicable law, to indemnify any person or entity not described in the Bylaws pursuant to, and to the extent described in, an agreement between the Company and such person, or as otherwise determined by the Board of Directors in its discretion.

Insofar as indemnification to the Company's directors, officers or other persons controlling the Company for liabilities arising under the Securities Act of 1933, as amended, may be permitted under the provisions of the Company's Bylaws and the statutes of the State of Minnesota, the Company has been informed by the Securities and Exchange Commission, that this type of indemnification is against public policy and is therefore unenforceable.

Item 7. Exemption from Registration Claimed.

Not applicable.

Item 8. Exhibits.

Exhibit

- 4.1 Amended and Restated Communication Systems, Inc. 1990 Employee Stock Purchase Plan
- 5.1 Opinion of Lindquist & Vennum P.L.L.P.
- 23.1 Consent of Lindquist & Vennum (included in exhibit 5.1)
- 23.2 Consent of Deloitte & Touche LLP, independent public accountants
- 24.1 Power of Attorney (set forth on signature page hereof)

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Item 9. Undertakings.

(a) The undersigned registrant hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
 - (i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Securities and Exchange Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to the information in the registration statement;

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(h) Insofar as indemnification to directors, officers, and controlling persons of the registrant for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission this type of indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against these liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer, or controlling person of the registrant in the successful defense of any action, suit, or proceeding) is asserted by a director, officer, or controlling person connected with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether the indemnification by us is against public policy as expressed in the Act and will be governed by the final adjudication of the issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, we certify that we have reasonable grounds to believe that we meet all of the requirements for filing on Form S-8, and we have authorized the undersigned to sign this registration statement on our behalf, in the City of Minneapolis, State of Minnesota, as of August 14, 2009.

Communication Systems, Inc.

By /s/ Jeffrey K. Berg
Jeffrey K. Berg, President and
Chief Executive Officer

POWER OF ATTORNEY

The undersigned officers and directors of Communication Systems, Inc., hereby constitute and appoint Jeffrey K. Berg and David T. McGraw, or either of them, with power to act one without the other, our true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for us and in our stead, in any and all capacities to sign any and all amendments (including post-effective amendments) to this Registration Statement and all documents relating thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing necessary or advisable to be done in and about the premises, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his or her substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed below as of August 14, 2009 by the following persons in the capacities indicated.

<u>Signature</u>	<u>Title</u>
<u>/s/ Jeffrey K. Berg</u> Jeffrey K. Berg	President and Chief Executive Financial Officer (Principal Executive Officer)
<u>/s/ David T. McGraw</u> David T. McGraw	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
<u>/s/ Curtis A. Sampson</u> Curtis A. Sampson	Chairman of the Board
<u>/s/ Randall D. Sampson</u> Randall D. Sampson	Director
<u>/s/ Edwin C. Freeman</u> Edwin C. Freeman	Director
<u>/s/ Luella Gross Goldberg</u> Luella Gross Goldberg	Director
<u>/s/ Roger H.D. Lacey</u> Roger H.D. Lacey	Director
<u>/s/ Gerald D. Pint</u> Gerald D. Pint	Director

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AMENDED AND RESTATED COMMUNICATION SYSTEMS, INC.

1990 EMPLOYEE STOCK PURCHASE PLAN

As Amended through December 30, 2008

1. *Establishment of Plan.* Communications Systems, Inc. (hereinafter referred to as the "Company") proposes to grant to certain employees of the Company the opportunity to purchase common stock of the Company. Such common stock shall be purchased pursuant to the plan herein set forth which shall be known as the "COMMUNICATIONS SYSTEMS, INC. 1990 EMPLOYEE STOCK PURCHASE PLAN" (hereinafter referred to as the "Plan"). The Company intends that the Plan shall qualify as an "Employee Stock Purchase Plan" under Section 423 of the Internal Revenue Code of 1954, as amended, and shall be construed in a manner consistent with the requirements of said Section 423 and the regulations thereunder.

2. *Purpose.* The Plan is intended to encourage stock ownership by all employees of the Company, and as an incentive to them to remain in employment, improve operations, increase profits, and contribute more significantly to the Company's success.

3. *Administration.* The Plan shall be administered by a stock purchase committee (hereinafter referred to as the "Committee") consisting of not less than three directors or employees of the Company, as designated by the Board of Directors of the Company (hereinafter referred to as the "Board of Directors"). The Board of Directors shall fill all vacancies in the Committee and may remove any member of the Committee at any time, with or without cause. The Committee shall select its own chairman and hold its meetings at such times and places as it may determine. All determinations of the Committee shall be made by a majority of its members. Any decision which is made in writing and signed by a majority of the members of the Committee shall be effective as fully as though made by a majority vote at a meeting duly called and held. The determinations of the Committee shall be made in accordance with its judgment as to the best interests of the Company, its employees and its shareholders and in accordance with the purposes of the Plan; provided, however, that the provisions of the Plan shall be construed in a manner consistent with the requirements of Section 423 of the Internal Revenue Code, as amended. Such determinations shall be binding upon the Company and the participants in the Plan unless otherwise determined by the Board of Directors. The Company shall pay all expenses of administering the Plan. No member of the Board of Directors or the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any option granted under it.

4. *Duration and Phases of the Plan.* (a) The Plan will commence on July 1, 1990 and will terminate when all shares authorized for issuance under Section 10 of this Plan, as it may be amended from time to time, are issued or at such earlier date as shall be determined by the Company's Board of Directors, except that any phase commenced prior to such termination shall, if necessary, be allowed to continue beyond such termination until completion. Notwithstanding the foregoing, this Plan shall be considered of no force or effect and any options granted shall be considered null and void unless the holders of a majority of all the issued and outstanding shares of the common stock of the Company approve the Plan within twelve (12) months after the date of its adoption by the Board of Directors; and, further, any amendment of this Plan to increase the number of shares authorized for issuance under Section 10 of this Plan shall be considered of no force or effect and any options granted thereafter shall be considered null and void unless the holders of a majority of all the issued and outstanding shares of the common stock of the Company approve such amendment of the Plan within twelve (12) months after the date Section 10 is amended by the Board of Directors to increase the number of shares authorized for issuance.(1)

¹ Amended effective January 1, 2002.

(b) The Plan shall be carried out in one or more phases, each phase being for a period of one year or such other period of time as may be determined by the Board or Committee.(2) No phase shall run concurrently, but a phase may commence immediately after the termination of the preceding phase. The existence and date of commencement of a phase (the "Commencement Date") shall be determined by the Committee, provided that the commencement of the first phase shall be within twelve (12) months before or after the date of approval of the Plan by the shareholders of the Company. In the event all of the stock reserved for grant of options hereunder is issued pursuant to the terms hereof prior to the commencement of one or more phases scheduled by the Committee or the number of shares remaining is so small, in the opinion of the Committee, as to render administration of any succeeding phase impracticable, such phase or phases shall be cancelled. Phases shall be numbered successively Phase 1, Phase 2, Phase 3, etc.

(c) The Board of Directors may elect to accelerate the termination date of any phase effective on the date specified by the Board of Directors in the event of (i) any consolidation or merger of the Company in which the Company is not the continuing or surviving corporation or pursuant to which shares would be converted into cash, securities or other property, other than a merger of the Company in which shareholders immediately prior to the merger have the same proportionate ownership of stock in the surviving corporation immediately after the merger; (ii) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Company; or (iii) any plan of liquidation or dissolution of the Company.

5. *Eligibility.* All Employees, as defined in Paragraph 19 hereof, who are employed by the Company at least one day prior to the Commencement Date of a phase shall be eligible to participate in such phase.

6. *Participation.* Participation in the Plan is voluntary. An eligible Employee may elect to participate in any phase of the Plan, and thereby become a "Participant" in the Plan, by completing the Plan payroll deduction form provided by the Company and delivering it to the Company or its designated representative prior to the Commencement Date of that phase. Payroll deductions for a Participant shall commence on the first payday after the Commencement Date of the phase and shall terminate on the last payday immediately prior to or coinciding with the termination date of that phase unless sooner terminated by the Participant as provided in Paragraph 9 hereof.

7. *Payroll Deductions.* (a) Upon enrollment, a Participant shall elect to make contributions to the Plan by payroll deductions (in full dollar amounts and in amounts calculated to be as uniform as practicable throughout the period of the phase), in the aggregate amount not in excess of 10% of such Participant's Base Pay for the term of the phase, as determined according to Paragraph 19 hereof.

The minimum authorized payroll deduction must aggregate to not less than \$10 per month.

(b) In the event that the Participant's compensation for any pay period is terminated or reduced from the compensation rate for such a period as of the Commencement Date of the phase for any reason so that the amount actually withheld on behalf of the Participant as of the termination date of the phase is less than the amount anticipated to be withheld over the phase year as determined on the Commencement Date of the phase, then the extent to which the Participant may exercise his option shall be based on the amount actually withheld on his behalf. In the event of a change in the pay period of any Participant, such as from bi-weekly to monthly, an appropriate adjustment shall be made to the deduction in each new pay period so as to ensure the deduction of the proper amount authorized by the Participant.

² Amended effective August 10, 2005

(c) All payroll deductions made for Participants shall be credited to their accounts under the Plan. The Participant may not make any separate cash payments into such account.

(d) Except for his right to discontinue participation in the Plan as provided in Paragraph 9, no Participant shall be entitled to increase or decrease the amount to be deducted in a given phase after the Commencement Date.

8. *Options.*

(a) *Grant of Option.(3)*

(i) A Participant who is employed by the Company as of the Commencement Date of a phase shall be granted an option as of such date to purchase a number of full shares of Company common stock to be determined by dividing the total amount to be credited to that Participant's account under Paragraph 7 hereof by the option price set forth in Paragraph 8(a)(ii)(A) hereof, subject to the limitations of Paragraph 10 hereof.

(ii) Unless otherwise determined by the Board or Committee prior to the commencement of a Phase, the option price for such shares of common stock shall be the lower of:

- A. Eighty-five percent (85%) of the fair market value of such shares of common stock on the Commencement Date for phases beginning prior to December 1, 2006 and ninety-five percent (95%) of the fair market of such shares of common stock on the termination date for phases beginning with a pay period that ends after January 1, 2006; or
- B. Eighty-five percent (85%) of the fair market value of such shares of common stock on the termination date for phases beginning prior to December 1, 2005 and ninety-five (95%) of the fair market value of such shares of common stock on the termination date for phases beginning with a pay period that ends after January 1, 2006.

(iii) The fair market value of shares of common stock of the Company shall be determined by the Committee for each valuation date in a manner acceptable under Section 423, Internal Revenue Code of 1954.

(iv) Anything herein to the contrary notwithstanding, no Employee shall be granted an option hereunder:

- A. Which permits his rights to purchase stock under all employee stock purchase plans of the Company, its subsidiaries or its parent, if any, to accrue at a rate which exceeds Twenty-Five Thousand Dollars (\$25,000) of the fair market value of such stock (determined at the time such option is granted) for each calendar year in which such option is outstanding at any time;

3 Amended effective August 10, 2005

B. If immediately after the grant such Employee would own and/or hold outstanding options to purchase stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of the Company, its parent, if any, or of any subsidiary of the Company. For purposes of determining stock ownership under this Paragraph, the rules of Section 425(d) of the Internal Revenue Code, as amended, shall apply; or

C. Which can be exercised after the expiration of 27 months from the date the option is granted.

(b) *Exercise of Option.*

(i) Unless a Participant gives written notice to the Company pursuant to Paragraph 8(b)(ii) or Paragraph 9 prior to the termination date of a phase, his option for the purchase of shares will be exercised automatically for him as of such termination date for the purchase of the number of full shares of Company common stock which the accumulated payroll deductions in his account at that time will purchase at the applicable option price, subject to the limitations set forth in Paragraph 10 hereof.

(ii) A Participant may, by written notice to the Company at any time during the thirty (30) day period immediately preceding the termination date of a phase, elect, effective as of the termination date of that phase, to exercise his option for a specified number of full shares less than the maximum number which may be purchased under his option.

(iii) As promptly as practicable after the termination date of any phase, the Company will deliver to each Participant herein the common stock purchased upon the exercise of his option, together with a cash payment equal to the balance, if any, of his account which was not used for the purchase of common stock with interest accrued thereon.

9. *Withdrawal or Termination of Participation.* (a) A Participant may, at any time prior to the termination date of a phase, withdraw all payroll deductions then credited to his account by giving written notice to the Company. Promptly upon receipt of such notice of withdrawal, all payroll deductions credited to the Participant's account will be paid to him with interest accrued thereon and no further payroll deductions will be made during that phase. In such event, the option granted the Participant under that phase of the Plan shall lapse immediately. Partial withdrawals of payroll deductions hereunder may not be made.

(b) In the event of the death of a Participant, the person or persons specified in Paragraph 14 may give notice to the Company within sixty (60) days of the death of the Participant electing to purchase the number of full shares which the accumulated payroll deductions in the account of such deceased Participant will purchase at the option price specified in Paragraph 8(a)(ii) and have the balance in the account distributed in cash with interest accrued thereon. If no such notice is received by the Company within said sixty (60) days, the accumulated payroll deductions will be distributed in full in cash with interest accrued thereon.

(c) Upon termination of Participant's employment for any reason other than death of the Participant, the payroll deductions credited to his account, plus interest, shall be returned to him.

10. *Stock Reserved for Options.* (a) Five Hundred Thousand (500,000)(4) shares of the Company's \$.05 par value common stock are reserved for issuance upon the

exercise of options to be granted under the Plan. Shares subject to the unexercised portion of any lapsed or expired option may again be subject to option under the Plan.

4 Originally 100,000 shares (adjusted for stock splits) with authorized shares increased in 1995, 1998, 2002 and 2008 (see page 8).

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(b) If the total number of shares of Company common stock for which options are to be granted for a given phase as specified in Paragraph 8 exceeds the number of shares then remaining available under the Plan (after deduction of all shares for which options have been exercised or are then outstanding) and if the Committee does not elect to cancel such phase pursuant to Paragraph 4, the Committee shall make a pro rata allocation of the shares remaining available in as uniform and equitable a manner as it shall consider practicable. In such event, the options to be granted and the payroll deductions to be made pursuant to the Plan which would otherwise be effected may, in the discretion of the Committee, be reduced accordingly. The Committee shall give written notice of such reduction to each Participant affected.

(c) The Participant (or a joint tenant named pursuant to Paragraph 10(d) hereof) shall have no rights as a shareholder with respect to any shares subject to the Participant's option until the date of the issuance of a stock certificate evidencing such shares. No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property), distributions or other rights for which the record date is prior to the date such stock certificate is actually issued, except as otherwise provided in Paragraph 12 hereof.

(d) The shares of Company common stock to be delivered to a Participant pursuant to the exercise of an option under the Plan will be registered in the name of the Participant or, if the Participant so directs by written notice to the Committee prior to the termination date of that phase of the Plan, in the names of the Participant and one other person the Participant may designate as his joint tenant with rights of survivorship, to the extent permitted by law.

11. *Accounting and Use of Funds.* Payroll deductions for each Participant shall be credited to an account established for him under the Plan. A Participant may not make any separate cash payments into such account. Such account shall be solely for bookkeeping purposes and no separate fund or trust shall be established hereunder and the Company shall not be obligated to segregate such funds. All funds from payroll deductions received or held by the Company under the Plan may be used, without limitation, for any corporate purpose by the Company.

12. *Adjustment Provision.* (a) Subject to any required action by the shareholders of the Company, the number of shares covered by each outstanding option, and the price per share thereof in each such option, shall be proportionately adjusted for any increase or decrease in the number of issued shares of the Company common stock resulting from a subdivision or consolidation of shares or the payment of a share dividend (but only on the shares) or any other increase or decrease in the number of such shares effected without receipt of consideration by the Company.

(b) In the event of a change in the shares of the Company as presently constituted, which is limited to a change of all its authorized shares with par value into the same number of shares with a different par value or without par value, the shares resulting from any such change shall be deemed to be the shares within the meaning of this Plan.

13. *Non-Transferability of Options.* (a) Options granted under any phase of the Plan shall not be transferable except under the laws of descent and distribution and shall be exercisable only by the Participant during his lifetime and after his death only by his beneficiary of the representative of his estate as provided in Paragraph 9(b) hereof.

(b) Neither payroll deductions credited to a Participant's account, nor any rights with regard to the exercise of an option or to receive common stock under any phase of the Plan may be assigned, transferred, pledged or otherwise disposed of in any way by the Participant. Any such attempted assignment, transfer, pledge or other disposition shall be null and void and without effect, except that the Company may, at its option, treat such act as an election to withdraw funds in accordance with Paragraph 9.

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14. *Designation of Beneficiary.* A Participant may file a written designation of a beneficiary who is to receive any cash to the Participant's credit plus interest thereon under any phase of the Plan in the event of such Participant's death prior to exercise of his option pursuant to Paragraph 9(b) hereof, or to exercise his option and become entitled to any stock and/or cash upon such exercise in the event of the Participant's death prior to exercise of the option pursuant to Paragraph 9(b) hereof. The beneficiary designation may be changed by the Participant at any time by written notice to the Company.

Upon the death of a Participant and upon receipt by the Company of proof deemed adequate by it of the identity and existence at the Participant's death of a beneficiary validly designated under the Plan, the Company shall in the event of the Participant's death under the circumstances described in Paragraph 9(b) hereof, allow such beneficiary to exercise the Participant's option pursuant to Paragraph 9(b) if such beneficiary is living on the termination date of the phase and deliver to such beneficiary the appropriate stock and/or cash after exercise of the option. In the event there is no validly designated beneficiary under the Plan who is living at the time of the Participant's death under the circumstances described in Paragraph 9(b) or in the event the option lapses, the Company shall deliver the cash credited to the account of the Participant with interest to the executor or administrator of the estate of the Participant, or if no such executor or administrator has been appointed to the knowledge of the Company, it may, in its discretion, deliver such cash to the spouse or to any one or more dependents or relatives of the Participant, or if no spouse, dependent or relative is known to the Company, then to such other person as the Company may designate. The Company will not be responsible for or be required to give effect to the disposition of any cash or stock or the exercise of any option in accordance with any will or other testamentary disposition made by such Participant or in accordance with the provision of any law concerning intestacy, or otherwise. No designated beneficiary shall, prior to the death of a Participant by whom he has been designated, acquire any interest in any stock or in any option or in the cash credited to the Participant under any phase of the Plan.

15. *Amendment and Termination.* The Plan may be terminated at any time by the Board of Directors provided that, except as permitted in Paragraph 4(c) with respect to an acceleration of the termination date of any phase, no such termination will take effect with respect to any options then outstanding. Also, the Board may, from time to time, amend the Plan as it may deem proper and in the best interests of the Company or as may be necessary to comply with Section 423 of the Internal Revenue Code of 1986, as amended, or other applicable laws or regulations; provided, however, that no such amendment shall, without prior approval of the shareholders of the Company (1) increase the number of shares for which options may be granted under the Plan (except as provided in Paragraph 12 herein), (2) permit aggregate payroll deductions in excess of ten percent (10%) of a Participant's compensation as of the Commencement Date of a phase, or (3) impair any outstanding option.

16. *Interest.* In any situation where the Plan provides for the payment of interest on a Participant's payroll deductions, such interest shall be determined by averaging the month-end balances in the Participant's account for the period of his participation and computing interest thereon at the rate of three percent (3%) per annum or such higher rate as shall, from time to time, be determined by the Board of Directors.(5)

17. *Notices.* All notices or other communications in connection with the Plan or any phase thereof shall be in the form specified by the Committee and shall be deemed to have been duly given when received by the Participant or his designated personal representative or beneficiary or by the Company or its designated representative, as the case may be.

18. *Participation of Subsidiaries.* The Board of Directors may, by written resolution, authorize the employees of any of its subsidiaries to participate hereunder. Effective as of the date of coverage of any such subsidiary, any references herein to the "Company" shall be interpreted as referring to such subsidiary as well as to Communications Systems, Inc.

In the event that any subsidiary which is covered under the Plan ceases to be a subsidiary of Communications Systems, Inc., the employees of such subsidiary shall be considered to have terminated their employment for purposes of Paragraph 9 hereof as of the date such subsidiary ceases to be such a subsidiary.

19. *Definitions.* (a) "Subsidiary" shall include any corporation defined as a subsidiary of the Company in Section 425(f) of the Internal Revenue Code of 1954, as amended.

(b) "Employee" shall mean any employee, including an officer, of the Company who as of the first day of the month immediately preceding the Commencement Date of a phase is customarily employed by the Company for more than fifteen (15) hours per week.

(c) "Base Pay" is the regular pay for employment for each employee as annualized for a twelve (12) month period, exclusive of overtime, commissions, bonuses, disability payments, shift differentials, incentives and other similar payments, determined as of the Commencement Date of each phase. In determining Base Pay for any employee for a phase, the Committee or its designee is authorized to use factors that it determines relevant, including aggregate salary, wages, commissions and bonuses for the prior fiscal year or years.

Adopted by Board of Directors: February 15, 1990
Approved by the shareholders May 1990
Amended May 1995 to increase authorized shares to 200,000
Amended May 1998 to increase authorized shares to 300,000
Amended May 2002 to increase authorized shares to 400,000
Amended October 27, 2004 to modify definition of "Base Pay" in Section 19(c)
Amended effective August 1, 2005 to (i) authorize the Board and Committee establish a phase for a period other than one year (Section 4(b)) and (ii) increase the option price to 95% of fair market value at the termination date (Section 8(a)(ii))
Amended December 30, 2008 to increase authorized shares to 500,000

August 14, 2009

Communication Systems, Inc.
10900 Red Circle Drive
Minnetonka, Minnesota 55343

Re: Opinion of Counsel as to Legality of the 100,000 Shares of Common Stock to be Registered
Under the Securities Act of 1933, as amended.

Ladies and Gentlemen:

This opinion is furnished in connection with the registration under the Securities Act of 1933, as amended on Form S-8 of 100,000 shares of Common Stock, \$.05 par value, of Communication Systems, Inc. (the "Company") offered to employees of the Company pursuant to the Amended and Restated Communication Systems, Inc. 1990 Employee Stock Purchase Plan (the "Plan"). These shares are in addition to the 400,000 shares offered pursuant to the Plan and registered on previous Registration Statements on Form S-8 (File Nos. 33-39862, 33-99564, 333-98325).

As counsel for the Company, we advise you that it is our opinion, based on our familiarity with the affairs of the Company and upon our examination of pertinent documents, that the 100,000 shares of Common Stock to be offered to officers, directors, employees and consultants by the Company under the Plan, will, when paid for and issued, be validly issued and lawfully outstanding, fully paid and non-assessable shares of Common Stock of the Company.

The undersigned hereby consent to the filing of this opinion with the Securities and Exchange Commission as an Exhibit to the Registration Statement with respect to said shares of Common Stock under the Securities Act of 1933, as amended.

Very truly yours,

/s/ LINDQUIST & VENNUM P.L.L.P.

Consent of Independent Public Accountants

We consent to the incorporation by reference in this Registration Statement on Form S-8 of our report dated March 24, 2009, relating to the consolidated financial statements and financial statement schedule of Communications Systems, Inc. and subsidiaries (which report expresses an unqualified opinion and includes an explanatory paragraph regarding the January 1, 2007 adoption of Financial Accounting Standards Board (FASB) Interpretation No. 48, *Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109*) appearing in the Annual Report on Form 10-K of Communications Systems, Inc. and subsidiaries for the year ended December 31, 2008.

/s/ Deloitte & Touche LLP _____

Deloitte & Touche LLP

Minneapolis, MN

August 14, 2009
