

**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): **October 16, 2006**

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

See Item 8.01 below for information regarding subsequent developments related to information in the Company's Reports on Form 8-K for May 25, 2006 and July 7, 2006 under Item 3.01.

ITEM 8.01 OTHER EVENTS

The following information supplements information provided in the Company's Reports on Form 8-K for May 25, 2006 and July 7, 2006.

On September 14, 2006, the Company reported that it continued to be unable to complete and file Form 10-Q reports due for the three month period ended March 31, 2006 and the six month period ended June 30, 2006 (the 2006 Form 10-Q Reports) due to risks and uncertainties arising from a civil investigation of the Company's JDL Technologies subsidiary initiated by the U.S. Department of Justice (DOJ) and the Company's continued assessment of uncollected receivables totaling approximately \$3.5 million related to work performed for the U.S. Virgin Islands Department of Education (VIDOE). The Company also reported on September 14, 2006 that, while not filing the 2006 Form 10-Q Reports caused the Company to be out of compliance with the applicable listing standards of the American Stock Exchange (AMEX), on July 7, 2006 AMEX granted the Company an extension to September 6, 2006 to achieve compliance with the listing standards. Finally, on September 14, 2006, the Company reported that it had submitted a written request to AMEX on September 6, 2006 for additional time in which to file the 2006 Form 10-Q Reports and thereby regain compliance with the AMEX listing standards. A copy of the Press Release issued on September 14, 2006 is attached hereto as Exhibit 99.1.

On September 29, 2006 the Company supplemented its September 6, 2006 communication to AMEX and provided AMEX with an amended plan with respect to its efforts to achieve compliance with AMEX's listing standards by November 30, 2006. In its September 29 communication, the Company explained it believed a further extension to November 30 would provide sufficient time for the Company to complete management's assessment of the uncollected receivables and pending DOJ investigation for purposes of finalizing the 2006 Form 10-Q reports. The Company advised AMEX that this would also provide sufficient time for the Company's Audit Committee to complete an independent review of certain matters arising from the DOJ investigation.

On October 9, 2006, the Company received notification from AMEX that the Company's amended plan and supporting documentation (the "Revised Plan") made a reasonable demonstration of the Company's ability to regain compliance with AMEX's continued listing standards. Based upon the Revised Plan, AMEX staff, subject to certain conditions, granted the Company an extension until November 30, 2006 to file the 2006 Form 10-Q reports. In its letter, AMEX also stated it expected the Company to be in compliance with the continued listing standards of AMEX by November 30, 2006 and that failure to achieve compliance by that date would "likely result" in the initiation of delisting proceedings by AMEX staff. A copy of the October 9, 2006 communication from AMEX to the Company is attached hereto as Exhibit 99.2.

On October 16, 2006 the Company issued a press release reporting the substance of the October 9, 2006 letter from AMEX that granted the Company an extension until September 30, 2006 to file the 2006 Form 10-Q reports. A copy of the Press Release issued on October 16, 2006 is attached hereto as Exhibit 99.3.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(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 September 14, 2006
99.2	Letter from the American Stock Exchange dated October 9, 2006
99.3	Press Release issued October 16, 2006 reporting extension of time period to obtain compliance with American Stock Exchange listing standards

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/ Jeffrey K. Berg
Jeffrey K. Berg
Its Chief Operating Officer

Dated: October 16, 2006

PRESS RELEASE ISSUED SEPTEMBER 14, 2006

CSI Provides Update on Delay in Filing Form 10-Q Reports

HECTOR, Minn., September 14, 2006 — Communications Systems, Inc. (CSI or the Company) (Amex: JCS - News) announced today that it continues to be unable to complete and file its Form 10-Q Reports for the three month period ended March 31, 2006 and the six month period ended June 30, 2006 (the "Form 10-Q Reports"). The delay in filing the Form 10-Q Reports is due to previously reported risks and uncertainties arising from a civil investigation of the Company's JDL Technology subsidiary that is currently being conducted by the U.S. Department of Justice and the Company's continued assessment of the collectability of receivables totaling approximately \$3.5 million related to work performed for the Virgin Islands Department of Education. Because CSI has not filed the Form 10-Q Reports it continues to be out of compliance with applicable listing standards of the American Stock Exchange. The Company was granted an extension until September 6, 2006 to achieve compliance with such listing standards. Due to its continued inability to file the Form 10-Q Reports, the Company has requested that AMEX staff grant a further extension until November 6, 2006 to file such reports and thereby regain compliance with the AMEX listing standards. AMEX staff has indicated they are considering the Company's request. The Company's common stock continues to trade on the American Stock Exchange at this time and AMEX staff has not notified the Company of a present intention to initiate delisting proceedings. The Company will make further announcement as to its efforts to complete and file the Form 10-Q Reports and the continued listing of its stock on AMEX as developments warrant.

LETTER FROM AMERICAN STOCK EXCHANGE DATED OCTOBER 9, 2006

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

Via Facsimile and Federal Express

October 9, 2006

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

Dear Mr. Hanson:

As you are aware, Communications Systems, Inc. ("Communications" or the "Company") is not in compliance with certain of the American Stock Exchange's (the "Amex" or the "Exchange") continued listing standards. Specifically, the Company is not in compliance with Sections 134 and 1101 of the Amex Company Guide (the "Company Guide")(1) due to the fact that it failed to file with the Securities and Exchange Commission (the "SEC"), its Form 10-Q for the period ended March 31, 2006 (the "2006 First Quarter Report") and June 30, 2006 (the "2006 Second Quarter Report").

Thank you for your submissions dated September 6, 2006 and September 28, 2006. The Exchange has completed its review of Communications' revised plan of compliance and supporting documentation (the "Revised Plan") and has determined that, in accordance with Section 1009 of the Company Guide, the Revised Plan makes a reasonable demonstration of the Company's ability to regain compliance with the continued listing standards. Based upon the information you have provided, the Exchange has determined to grant the Company an extension until November 30, 2006, for the Company to file its 2006 First Quarter Report and 2006 Second Quarter Report (the "Extended Plan Period"). Therefore, at this time we are prepared to continue the listing of Communications subject to the following conditions:

- i. The Company must make a public announcement through the news media by October 16, 2006 disclosing the fact that it continues to be noncompliant with the continued listing standards of the Exchange and that its listing is being continued pursuant to an additional extension, as well as the reasons behind the Company's request for an additional extension. The extended targeted completion date of November 30, 2006.
- ii. The Company must continue to provide the Exchange Staff with updates in conjunction with the initiatives of the Revised Plan as appropriate or upon request.
- iii. Exchange Staff will review Communications periodically for compliance with the Revised Plan. If the Company does not show progress consistent with the Revised Plan, the Exchange Staff will review the circumstances and may immediately commence delisting proceedings. Additionally,

(1) The Amex Company Guide may be accessed at www.amex.com.

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please be advised that consistent with the Exchange's obligations and responsibilities as a self-regulatory organization, the Exchange Staff is authorized to initiate immediate delisting proceedings as appropriate in the public interest, notwithstanding the terms of this letter.

At the end of the Extended Plan Period, November 30, 2006, Communications must be in compliance with all the continued listing standards including the issue described above. Failure to regain compliance within the timeframe outlined above will likely result in the Exchange Staff initiating delisting proceedings pursuant to Section 1009 of the Company Guide.

We appreciate your attention to this matter and we look forward to continuing to work with you through this difficult time. Towards that end, it is important during this process that you continue to communicate with the Exchange on a proactive basis regarding all corporate developments. If we may be of any assistance in this matter, please do not hesitate to contact me, or Diana Dodi, Lead Analyst, at (212) 306-2396.

Please acknowledge your acceptance of the conditions outlined in this letter by signing and returning the enclosed copy of this letter by October 16, 2006.

Very truly yours,

/s/ James Mollen

Acknowledged and Agreed to:

Date:

Mr. Paul N. Hanson
 Vice President and Chief Financial Officer
 Communications Systems, Inc.

Enclosures



PRESS RELEASE ISSUED OCTOBER 16, 2006 REPORTING EXTENSION OF TIME PERIOD TO OBTAIN COMPLIANCE WITH AMERICAN STOCK EXCHANGE LISTING STANDARDS

October 16, 2006

Contact: Curtis A. Sampson, Chairman, President and Chief Executive Officer
 Jeffrey K. Berg, President and Chief Operating Officer
 Paul N. Hanson, Vice President-Finance

COMMUNICATIONS SYSTEMS, INC. REPORTS ON RECENT DEVELOPMENTS RELATED TO RESOLVING ACCOUNTING ISSUES, MAKING REQUIRED SEC FILINGS AND EXTENSION OF TIME TO COMPLY WITH AMEX CONTINUED LISTING STANDARDS

(Hector, Minnesota) – October 16, 2006 — Communications Systems, Inc. (AMEX: JCS) today provided an update on efforts to resolve previously reported accounting issues and make required Form 10-Q filings with the Securities and Exchange Commission (SEC) that have not been filed, as well as to regain compliance with the continued listing standards of the American Stock Exchange (AMEX).

As previously reported, the Company has not filed SEC Form 10-Q reports for the three months ended March 31, 2006 and the three and six months ended June 30, 2006 (the “2006 Form 10-Q Reports”). The 2006 Form 10-Q Reports have not been filed due to risks and uncertainties arising from a U.S. Department of Justice (DOJ) civil investigation of the Company’s JDL Technologies subsidiary related to work performed for the U.S. Virgin Islands Department of Education (VIDOE) under the federal E-Rate program, as well as the Company’s assessment of uncollected receivables and the related revenue totaling approximately \$3.5 million arising from the Company’s work for VIDOE.

Because it has not filed the 2006 Form 10-Q Reports the Company is out of compliance with applicable listing standards of AMEX and its common stock is subject to being de-listed. Based on a plan to regain compliance with AMEX listing standards provided by the Company in early July 2006, AMEX notified the Company on July 6, 2006 that it would not take any action to de-list the Company’s stock before September 6, 2006.

On September 6, 2006 the Company requested that AMEX staff defer taking any action to de-list the Company’s stock for a further period of time while the Company continued its efforts to regain compliance with AMEX listing standards. And, on September 29, 2006 the Company supplied an amended plan with respect to achieving such compliance by November 30, 2006. In its amended plan, the Company explained it believed a further extension would provide sufficient time to complete management’s assessment of the VIDOE related receivables and revenues totaling approximately \$3.5 million and the pending DOJ investigation for purposes of finalizing the 2006 Form 10-Q Reports. During this time period it is also expected the Company’s Audit Committee will complete its independent review of certain matters arising from the DOJ investigation. Based on achieving these objectives, Company management believes it is reasonably likely that on or before November 30, 2006 the Company will be able to

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complete and file the 2006 Form 10-Q Reports, as well as the Form 10-Q Report for the nine months ended September 30, 2006.

By letter dated October 9, 2006 the Company received notification from AMEX that the Company’s amended plan and supporting documentation (the “Revised Plan”) made a reasonable demonstration of the Company’s ability to regain compliance with AMEX’s continued listing standards. Based upon the Revised Plan, AMEX staff, subject to certain conditions, granted the Company an extension until November 30, 2006 to file the 2006 Form 10-Q Reports (the “Extended Plan Period”). These conditions relate to public disclosure of AMEX’s October 9, 2006 decision, continued updates of AMEX staff with regard to the initiatives described in the Revised Plan and continued oversight and assessment by AMEX staff. In its letter AMEX also stated it expected the Company to be in compliance with the continued listing standards by November 30, 2006 and that failure to achieve compliance by such date would “likely result” in the initiation of delisting proceeds by AMEX staff.

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, which 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.

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 Company 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 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 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 customers; competitive products and technologies; our ability to successfully reduce operating expenses at certain business units; the general health of the telecom sector; profitability of recent acquisitions; delays in new product introductions; higher than expected expense related to new sales and marketing initiatives; availability of adequate supplies of raw materials and components; fuel prices; loss contingencies arising from litigation and investigations and other factors discuss from time to time in the Company’s filings with the Securities and Exchange Commission.

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