

MINNETONKA, Minn., Sept. 11, 2013 /PRNewswire/ -- Communications Systems, Inc. (NASDAQ: [JCS](#)), a telecommunications products and managed services provider, today announced that Scott Otis has been appointed President and General Manager of the Company's Transition Networks, Inc. subsidiary. Transition Networks, Inc. manufactures and sells connectivity products for data and telecommunications applications.

Mr. Otis most recently served as Vice President, Operations - Professional Services for TE Connectivity, Inc. (formerly known as Tyco Electronics) from December 2010 to June 2011. TE Connectivity acquired ADC Telecommunications (ADC) in December 2010, and before this acquisition, Mr. Otis was employed by ADC in many roles for 27 years. This included serving as Vice President, Marketing and Business Development – ADC Professional Services from 2005 to 2010, and in various sales, product management, and marketing positions earlier in his career at ADC.

Curtis A. Sampson, CSI's Chair and Interim President, stated: "We are very excited that Scott will be leading our Transition Networks (TN) subsidiary. He brings a wealth of knowledge and experience in all areas of the telecommunications industry, and a disciplined approach to business management that is critical to TN at this time. TN was a strong contributor to the Company's revenues and profitability prior to 2012, but since then its performance has been and continues to be adversely affected by a number of challenges that have been publicly reported. Despite these challenges, our Board believes TN may be able to capitalize on a number of significant market opportunities and achieve increasing levels of revenue and profitability if it reorganizes and refocuses its internal staff, and makes strategic investments in additional marketing, sales and product development staff. Working closely with Scott since he came on board, we have witnessed him make remarkable progress toward stabilizing and moving TN forward. We believe Scott will provide outstanding leadership as we begin making these important decisions. "

Further Information Regarding Recent Changes in Management Structure

On September 4, 2013 the Company announced that its Board of Directors had approved a plan under which Communications Systems, Inc., as parent company of the enterprise, will greatly reduce its corporate business structure to operate primarily as a holding company that monitors and supports its three business units. Under this new structure the Company's three business units, Suttle, Transition Networks, Inc. (TN) and JDL Technologies (JDL), will each operate with a higher degree of autonomy in all areas of their respective businesses, including sales, marketing, new product development and personnel management.

Concurrent with announcing changes to a holding company structure, the Company announced the appointment of the Company's Chairman, Curtis A. Sampson, as interim CEO, that Edwin C. Freeman

, a company director and chair of the Company's audit committee, has been appointed as the Company's Chief Financial Officer effective

September 3, 2013

and that director

Roger H. D. Lacey

was appointed Vice Chair of the Board effective

September 3

, 2013. In addition, the Company also announced that, to provide leadership and support for the Company's subsidiaries under the new structure, it had established an "Office of the Chair." The Office of the Chair is comprised of Mr. Sampson, Mr. Lacey and Mr. Freeman. Further information for each of Mr. Sampson, Mr. Freeman and Mr. Lacey is provided below.

Curtis A. Sampson founded the Company in 1969, served as Chairman and CEO from 1969 to June 2007

and has been Chairman and a director since its inception. In addition to serving as Chair of the Company's Board, he is also a member of the Board's Executive Committee and Finance Committee. He is also Chairman and a director of Canterbury Park Holding Corporation, a public company primarily engaged in pari-mutuel horse racing and card club wagering, and a 2012 inductee into the Minnesota Business Hall of Fame.

Edwin C. Freeman has been a director of CSI since 1988. He has served as Chair of the Company's Audit Committee for approximately the last ten years and has been the audit committee's designated financial expert under the rules of the Securities and Exchange Commission. He has also served as a member of our Finance Committee and Compensation Committee. Until his appointment as CFO, Mr. Freeman was employed as Vice President and Chief Financial Officer of Bro-Tex Co., Inc. (paper and cloth wiper products, and carpet recycling) and has held other management positions in both operations and finance since

joining Bro-Tex in March 1992. Mr. Freeman received his MBA from the Harvard Business School in 1981 and, before joining Bro-Tex, Mr. Freeman held positions in investment banking and strategic planning. In connection with being appointed CFO, Mr. Freeman has resigned from the CSI Board.

Mr. Roger H.D. Lacey has been a director since 2008 and currently is a member of the CSI Compensation Committee, Governance and Nominating Committee, and Audit Committee. Mr. Lacey recently retired as Senior Vice President, Strategy and Corporate Development at 3M Corporation a position he held from 2010 to May 2013. From 2000 to 2009, he was 3M's Vice President, Corporate Strategy and Market Development. Mr. Lacey's career with 3M began in 1975, and from 1989 to 2000 he was assigned to 3M's Telecom Division, holding various positions including Division Vice President. He has also served as the General Manager of 3M's UK based Electro-Telecommunications Division.

Mr. Bruce Blackwood, Vice President and General Manager of the Suttle operations, has been named President & General Manager. Mr. Scott Fluegge, Vice President and General Manager of JDL Technologies, has been named President & General Manager.

Business Unit Presidents
Bruce Blackwood

,
Scott Fluegge

and

Scott Otis

report to the Chairman and Interim CEO

Curtis Sampson

, and, ultimately, the Office of the Chairman.

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, 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 global deployments of broadband networks. Focusing on innovative, cost-effective solutions, CSI provides customers the ability to deliver, manage, and optimize their broadband network services and architecture. From the integration of fiber optics in any application and environment to efficient home voice and data deployments to optimization of data and application access, CSI provides the tools for maximum utilization of the network from the edge to the user. With partners and customers in over 50 countries, CSI has built a reputation as a reliable global innovator focusing on quality and customer service.

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