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

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2019 Commission File Number 1-13471

INSIGNIA SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

Minnesota	**41-1656308**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

8799 Brooklyn Blvd., Minneapolis, MN 55445
(Address of principal executive offices; zip code)

(763) 392-6200
(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, $0.01 par value	ISIG	The Nasdaq Stock Market LLC

Securities Registered Pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☑

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☑ 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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of the last business day of the registrant's most recently completed second fiscal quarter (June 30, 2019) was approximately $6,744,000 based upon the price of the registrant's Common Stock on such date.

Number of shares outstanding of Common Stock, $.01 par value, as of March 9, 2020 was 12,106,689.

DOCUMENTS INCORPORATED BY REFERENCE:
Portions of the registrant's definitive proxy for its 2020 Annual Meeting of Shareholders are incorporated by reference into Part III.

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PART I.

Item 1. Business

General

Insignia Systems, Inc. ("Insignia," "we," "us," "our" and the "Company") was incorporated in Minnesota in 1990. We are a leading provider of in-store and digital advertising solutions to consumer-packaged goods ("CPG") manufacturers, retailers, shopper marketing agencies and brokerages. We believe our products and services are attractive to our customers because of our speed to market, ability to customize our solutions down to store level and the results our solutions deliver. Our leadership and employees have extensive industry knowledge, including direct experience through former positions at CPG manufacturers and retailers. We provide marketing solutions to CPG manufacturers spanning from some of the largest multinationals to new and emerging brands.

Our relationships with retailers are forged through our retailer-centric mindset, ability to create solutions specific to their objectives to achieve overall executional excellence and incremental revenue lift, and ability to integrate both retailer and CPG manufacturer messaging into our solutions. During 2019, our in-store solutions executed programs in retailers spanning from some of the largest national retailers to regional US wholesalers and independents who are leaders in their respective channels and geographies.

Our relationships with shopper marketing agencies and brokerages continue to grow through our agility, responsiveness, custom production and execution capabilities, and our overall customer service in responding to their needs.

Our primary solution has been the Point-Of-Purchase Services (POPS®). The Insignia POPS solution is a national, account-specific, shelf-edge advertising and promotion tactic. External and internal testing has validated the solution can deliver incremental sales for the featured brand. Participation in the POPS solution allows CPG manufacturers to deliver vital product information to consumers at the point-of-purchase, and to leverage the local retailer brand and store-specific prices to provide an innovative "call to action" that draws attention to the featured brand and triggers a purchase decision. CPG manufacturers benefit from our nimble operational capabilities, which include short lead times, in-house graphic design capabilities and post-program analytics.

Over the past couple years, we have developed and now offer on-pack, merchandising and digital solutions in addition to our core business of in-store signage solutions. Our expanded portfolio allows us to more completely meet the needs of CPG manufacturers, retailers and their agents as their business strategies evolve behind an ever-changing retail landscape.

The Company's internet address is www.insigniasystems.com. The Company makes all the reports it files with the Securities and Exchange Commission (SEC) available free of charge on its website. The Company's website is not incorporated by reference into this Annual Report on Form 10-K. Copies of reports can also be obtained free of charge by requesting them from Insignia Systems, Inc., 8799 Brooklyn Boulevard, Minneapolis, Minnesota 55445; Attention: CFO; telephone 763-392-6200.

Industry and Market Background

Our industry is rapidly evolving in several ways:

(1) Brand loyalty: consumer brand loyalty is shifting from established CPG manufacturers to emerging brands, who often have distribution outside our traditional syndicated in-store network and are looking for solutions to help them be discovered.

(2) Retailer fragmentation: consumer habits are driving retailer fragmentation, including the growth of e-commerce and surrogate shoppers, as a result CPG manufacturers are diversifying their marketing dollars across an omnichannel environment.

(3) Financial justification: CPG manufacturers are increasingly focused on top and bottom-line financial metrics, which drives increased pressure to generate positive advertising return on investments and by working with companies that can execute programs.

(4) Competition shift: Digital advertising spend is reducing spend on traditional media, including in-store advertising, driving increased competition from direct competitors, retailer led marketing programs, and digital media companies.

Despite rapid growth in e-commerce, both retailers and CPG manufacturers are actively seeking to grow their brands in physical stores. On the retail side, many of the top US retailers have either opened new stores, introduced new formats or invested heavily in major store renovations. As a result, retailers are actively seeking solutions that can help drive traffic into the store. Retailers are seeking companies with our capabilities and experience to help build in-store solutions that inspire, educate and ultimately convert active shoppers while they are shopping. Retailers are continuing to seek ways to connect their online strategies with their in-store strategies to build shopper loyalty and to develop solutions to enhance the shopper's in-store experience. On the CPG manufacturer side, brand consolidation, shrinking advertising budgets and overall commodity uncertainties continue to place significant pressure on our industry. We have observed that CPG manufacturers are increasingly looking for opportunities to reinforce their brand equity as close as possible to the point of purchase or to expand the number of locations where they are offered in store to ensure they are selected over competition. We believe emerging brands are looking for ways to get discovered and tell shoppers their story. These trends along with new developments in shopper analytics are opening opportunities for innovative companies to develop new products and new ways of helping retailers and brands connect with shoppers. We are is usually engaged as part of an overall, mixed-media, brand marketing campaign.

Product Solutions

Since the Company's inception in 1990, we have worked closely with CPG manufacturers and retailers to understand their evolving needs and introduce solutions that help them achieve their business strategies. Over most of the past decade, our core product has been in-store signage solutions, namely the Insignia Point-of Purchase Services (POPS®). Over the past several years, we have significantly expanded our offered solutions to develop a portfolio designed to more holistically meet the needs of our clients and partners. For example, our in-store signage solutions represented approximately 68% of our total net sales for 2019, compared to 83% of our total net sales in 2018.

1. Our ***In-Store Signage Solutions***, which include POPS signs, help brands achieve a variety of objectives that include awareness and sales lift. The in-store signage solutions are placed perpendicular to the shelf and are designed to attract the attention of the shopper even before they arrive in front of the shelf to consider the purchase of a product. Our POPS signs offer attractive equity and engaging creative along with our unique ability to include retailer logo and price helps convert the shopper from considering a product into purchasing the product.

    - Primarily as a result of a settlement with our primary competitor, we offer the only in-store signage solution in the U.S. that can present store-level pricing in conjunction with CPG manufacturer and retailer brand messaging. Our customers typically average a 3:1 return on investment with our in-store POPS signage solution driven by the power of retailer endorsement and price inclusion on the signs.

    - CPG manufacturers pay marketing program rates based upon the directed number of cycles and retailer/store count. We collect and organize data from the CPG manufacturers and participating retailers, design and print the signage, and deliver signage to specified retailers. Depending on the agreement with the retailer, either a third-party professional installer or store personnel use placement instructions to install the signage at the shelf.

2. Our ***Merchandising Solutions*** are designed to help brands get discovered, build awareness and drive impulse purchases via a secondary or often permanent placement of their products. Our merchandising solutions include a variety of creative corrugate displays, side caps, free standing shippers and full customized end-cap solutions that brands leverage to grow their sales.

3. Our ***On-Pack Solutions*** appear on the individual product package and are designed to drive awareness, impulse purchases and capture market share within a very short period. On-pack solutions include BoxTalk™, coupons, recipes, and cross-promotions.

4. Our ***Digital Solutions*** consist of mobile programmatic advertising. Most CPG manufacturers are relying on digital advertising for promoting their products to consumers. We have invested behind our proprietary targeting process, that brings product, store and shopper data together to identify consumers with the strongest propensity to buy. Our innovative targeting approach allows brands to cast a wider net in identifying potential buyers of their product by focusing on relevant attributes for a specific brand. As part of an integrated marketing plan, we can develop and execute digital advertising and in-store marketing in cadence with brand plans and expectations.

5. Our ***Custom Print Solutions*** offer small- and large-format print solutions, labels and cardstock, primarily to retailers. These solutions help our customers increase awareness of store events and other marketing programs.

Marketing and Sales

Our highly skilled direct sales and marketing teams are a major asset for the organization with their deep knowledge of CPG manufacturers and retailers. Our sales organization is split into two separate groups:

1. ***Sales to CPG manufacturers***. This group is dedicated to understanding the challenges faced by both large established brands and small emerging brands and developing solutions that address their needs.

2. ***Sales to retailers***. This group is responsible for understanding each retailer's unique needs and build solutions to address them.

Our marketing is focused on the following:

- Increasing awareness of our corporate brand;

- Analyzing the effectiveness of executed offerings; and

- Developing and commercializing new and existing solutions.

Our in-store signage solutions are available for sale into a network of retailers that is managed and maintained through direct relationships and supplemented through a contract with News America Marketing FSI L.L.C., and News America Marketing In-Store Services L.L.C. for our POPS signs, or can be sold to certain retailers in the Mass Merchant Channel, which is not currently a part of our syndicated network.

During each of the last two most recently completed fiscal years, foreign sales accounted for less than 1% of total net sales each year. We expect sales to foreign distributors will remain less than 1% of total net sales in 2020.

Competition

We face increasingly intense competition for the marketing expenditures of CPG manufacturers for in-store signage. We have observed increased competition in growing and maintaining our network of retailers into which we are authorized to sell solutions as competitors continue to purchase new or extend exclusive arrangements with retailers for that purpose. We are party to an agreement with News America that entitles us to opportunities to sell signs with price in specific parts of News America's retail network through February 2021, but we have experienced limited success gaining additional access to News America's retail network. We are currently party to legal proceedings involving News Corporation, News America Marketing FSI L.L.C., and News America Marketing In-Store Services L.L.C. (collectively, "News America"). The lawsuit is described further in Item 3 of Part I of this report.

Our solutions are also subject to increasing pressures from alternatives to traditional in-store signage, including digital and merchandising solutions offered by competitors including Vestcom, Menasha, West Rock, Valassis Digital and Quotient.

We believe our primary competitive strengths include:

- Solutions across our portfolio focused on driving conversion and overall positive return on investment;

- Broad client-base of CPG manufacturers inclusive of large Fortune 500 companies, small regionals and emerging start-ups;

- Managing and providing turn-key access to a national network of retailers in support of objectives listed above; including smaller regional or independent retailers, which tend to be under-served by our competitors and difficult to aggregate at the national level;

- Variable messaging capabilities including the ability to execute store specific solutions; and

- Our speed to market on program execution.

Intellectual Property: Patents and Trademarks

The Company has developed and uses a number of trademarks, service marks, slogans, logos and other commercial symbols to advertise and sell its products. The Company owns U.S. registered trademarks for Insignia POPS®, Insignia POPSign®, Insignia ShelfPOPS®, Stylus®, freshADS℠, Impulse®, DuraSign®, I-Care®, Color POPSign®, BannerPOPS®, BrandPOPS®, EquityPOPS®, ShapePOPS®, and Boxtalk™. Certain employees are required to enter into nondisclosure and invention assignment agreements. Customers, vendors and other third parties also must agree to nondisclosure restrictions to prevent unauthorized disclosure of the Company's trade secrets or other confidential or proprietary information.

Service and Solution Development

New services, solutions and enhancements to existing offerings are developed either internally or externally and may include proprietary data management, operations systems, and design guidance. Over the past several years, we have significantly expanded our offered solutions and have developed a portfolio designed to more holistically meet the needs of our clients and partners.

Business Plan

Our strategic plan, seeks to differentiate Insignia from our competition, situate Insignia for growth within our industry and better insulate Insignia to competitive response through our overall portfolio diversification. The strategic plan consists of:

1. **Build the Base**. Increase the salability of our syndicated retail network.

2. **Change the Game**. Focus on continuing to drive growth with our expanded in-store solutions and leveraging retailer specific offerings with the goal of creating a meaningful point-of-difference for our organization in the industry.

3. **Capture new Brand Dollars.** Expand beyond the store with our new mobile programmatic solution and proprietary targeting process.

4. **Create Advocates**. Continue to create scale and growth with existing and new alliances, and partnerships.

5. **Invest in our Future**. Continue to recruit and retain top talent, invest in training and development and strengthening our capabilities.

Our strategic plan acknowledges the challenges we face within our industry, given the rapid evolution of change, we continue to be faced with risk of short-to-intermediate term volatility in our operating and financial performance.

Customers

We are a leading provider of in-store and digital advertising solutions to consumer-packaged goods ("CPG") manufacturers, retailers, shopper marketing agencies and brokerages. These solutions help brands and retailers connect, engage and build better relationships with their consumers to increase awareness, trial, sales and loyalty. Many of these CPG manufacturers are fast moving brands with products that would be found in grocery, mass and drug channels.

During 2019, two CPG manufacturers accounted for 13% and 12%, respectively, of our total net sales. During 2018, two CPG manufacturers accounted for 24% and 20%, respectively, of our total net sales. At December 31, 2019, four CPG manufacturers represented 17%, 12%, 12% and 10% of the Company's total accounts receivable, respectively. At December 31, 2018, two CPG manufacturers represented 31% and 16% of the Company's total accounts receivable, respectively.

Our sales historically have fluctuated from period to period, primarily because of;

- CPG manufacturer determinations to purchase solutions from us versus competitor solutions;
- Promotional timing and new product launches by CPG manufacturers;
- Underlying performance and quality of featured products promoted by CPG manufacturers;
- CPG manufacturer budget fluctuations and amounts allocated to in-store tactics vs. other tactics;
- Quantity and quality of retailer locations into which we are authorized to sell in-store solutions;

- New solution acceptance by CPG manufacturers and retailers; and
- Changes in the salability and breadth of our retailer network.

Environmental Matters

We believe our operations are in compliance with all applicable environmental regulations within the jurisdictions in which we operate. The costs and effects of compliance with these regulations have not been, and are not expected to become, material.

Employees

As of March 9, 2020, the Company had 54 employees, including 52 full-time employees and two part-time employees. We believe relations with our employees are good.

Segment Reporting

The Company operates in a single reportable segment.

Item 1A. Risk Factors

Our business is subject to many risks. The following are significant factors known to us that could materially adversely affect our business, reputation, operating results, industry, financial position, or future financial performance.

We Face Significant Competition

We face significant competition from News America, the primary provider of at-shelf advertising and promotional signage for a significant majority of retailers. Despite our status as exclusive agent for selling signs with price into the News America network, we continue to compete for advertising dollars with News America's other at-shelf advertising and promotional signage offerings. News America has significantly greater market presence and financial resources that can be used to market their products and purchase exclusive access to retailers and CPG manufacturers. Should our competition succeed in obtaining more of the at-shelf advertising business from our current CPG manufacturers, develop or extend exclusive relationships with our current retailers, our revenues and related operations would be adversely affected.

We also compete against other providers of advertising, marketing and merchandising products and services, and providers of point-of-purchase and other in-store solutions, as well as other marketing products and services. Competition is based on, among other things, rates, availability of markets, quality of products and services provided and their effectiveness, store coverage and other factors. The increasing popularity of digital media among consumers is driving a corresponding shift in advertising from traditional in-store tactics to digital. The development of new devices and technologies, as well as higher consumer engagement with other forms of digital media such as online and mobile social networking, are increasing the number of media choices and formats available to audiences, resulting in audience fragmentation and increased competition for advertising. The range of advertising choices across digital products and platforms and the large inventory of available digital advertising space have historically resulted in significantly lower rates for digital advertising than for in-store advertising. As a result, increasing consumer reliance on mobile devices may add additional pricing pressure, which would have an adverse effect on sales and our financial results.

Our Results Are Dependent on Our CPG Manufacturing Partners' Continued Use of Our POPS Solution

Our financial results have been historically dependent on the success of our Insignia POPS point-of-purchase in-store signage solution, which is purchased primarily by CPG manufacturers. Our POPS solution represented approximately 54% of our total net sales in 2019. We also continue to have a concentrated CPG customer base for our POPS solution. Our top two CPG customers together accounted for approximately 25% of our total net sales in 2019.

During late 2018, we saw changes in the CPG manufacturers who participate in our solutions that have adversely impacted POPS sales, through CPG manufacturers both forgoing new contracts and reducing forward participation. We also have seen increased competitive activities that are expected to lead to further decreases in POPS sales. In addition, volatility in CPG manufacturer spend has resulted from shrinking advertising budgets, expanded product solutions, and increased competition.

Should changes in economic conditions result in reductions in advertising and promotional expenditures by CPG manufacturers that lead to a slower rate of growth or a decrease in spending for the in-store advertising services we offer or we are unable to acquire business from new CPG manufacturers or should any one of the manufacturers who account for a significant amount of our POPS revenues terminate or reduce its participation in the POPS solution or a significant change in our retailer network our business and results of operations would be adversely affected due to our heavy dependence on this solution.

The Viability of Our In-Store Signage Solutions and Our Results Are Dependent on Our Ongoing Business Relationships with Retailers

To execute our POPS solution, we have entered into arrangements with retailers that provide us with access to place signs on shelves in their stores for our CPG manufacturing customers. We have also accessed a portion of our retailer relationships through third parties. During 2019, our top three retailer relationships provided distribution for 17% of our total net sales.

As previously announced, a significant retailer exited our retailer network in the first half of 2019. The impacts of the loss of this retailer is reflected in our results for 2019. Our ability to sell our in-store solutions is substantially dependent on the quantity and quality of the retailer locations in our network. If we are unable secure new retailers that resonate with our CPGs, it would have a continuing adverse effect on sales of our in-store signage solutions and our financial results.

Our retailer contracts generally have terms of one to three years and we are negotiating the renewal of these contracts on an ongoing basis. The future renewal of these contracts on profitable terms is not free from doubt. For instance, some of our retailer contracts require us to guarantee minimum payments and we may be unable to profitably offer a guarantee at the level required by a retailer during renewal negotiations. Further decreases in the size or quality of our retail distribution network, including the loss of another significant retailer, would have an adverse effect on sales of our in-store signage solutions and our financial results.

Our In-Store Signage Solutions Are Dependent on The Success of Our Business Relationship with News America

Our results depend, in part, on the success of our sales and marketing efforts as News America's exclusive agent for signs with price into the News America network of retailers and upon our ability to successfully sell solutions into this network. Notwithstanding the terms of our agreement with News America, our ability to sell and execute signs with price under that arrangement is substantially dependent on News America's cooperation and we have not gained any additional access to News America's retail network during 2019. Further, the agreement that provides for our exclusive agency for signs with price is scheduled to expire in February 2021. Disputes with News America regarding the operational aspects of that agreement or the termination or expiration of contracts relating to signs with price are likely to have an adverse effect on our results. For example, we are currently party to legal proceedings involving News America, which are described further in Item 3 of Part I of this report.

Our Growth Is Dependent on Our Ability to Successfully Develop and Introduce New Solution Offerings that Meet Client Demands

Our ability to retain, increase and engage our customers and to increase our revenues will depend partially on our ability to create successful new products and the ability to secure and maintain access to retailer locations that are appealing to CPG manufacturers. We may modify our existing products or develop and introduce new and unproven products, including acquired products. If new or enhanced products fail to engage consumers, we may fail to attract or retain customers or to generate sufficient revenues, margins, or other value to justify our investments and our business may be adversely affected. In the future, we may invest in new products and initiatives to generate revenue, but there is no guarantee these approaches will be successful or have the necessary scale to be profitable.

We Have Been, and Are, Party to Significant Litigation

We monitor the competitive practices of those in our industry for fairness which may lead to disputes that could have adverse effects on our Company or its business. We were involved in significant litigation with News America between 2003 and 2011. In 2011, we and News America entered into a Settlement Agreement to resolve the antitrust and false advertising lawsuit that had been outstanding for several years.

In July 2019, we brought suit against News America in the U.S. District Court in Minnesota, alleging violations of federal and state antitrust and tortious interference laws by News America. The complaint alleges that News America has monopolized the relevant market through various wrongful acts designed to harm the Company, its last significant competitor, in the third-party in-store advertising and promotion products and services market. The suit seeks, among other relief, an injunction sufficient to prevent further antitrust injury and an award of treble damages to be determined at trial for the harm caused to our Company. For further description of our legal proceedings, see Item 3 in Part I of this report.

We cannot be assured that we will succeed in asserting our claims or, if we are successful, that our recovery (if any) will be adequate to cover the damages incurred. It is also possible that we may be unsuccessful in defending against any counterclaims, that a judgement will not be entered against us or that reserves (if any) we may set aside will be adequate to cover any such judgments. In addition, we may incur significant expenses during the litigation while recovery is uncertain or pending.

Our Customers May Be Affected by Changes in Economic Conditions

Our revenues are affected by CPG manufacturers' and retailers' marketing and advertising spending and our revenues and results of operations may be subject to fluctuations based upon general economic conditions inclusive of the dynamic global trade environment. Another economic downturn may reduce demand for our products and services or depress pricing of those products and services and have an adverse effect on our results of operations. Retailers may be impacted by changes in consumer spending as well, which may adversely impact our ability to renew contracts with our existing retailers as well as contract with new retailers on terms that are acceptable to us. In addition, if we are unable to successfully anticipate changing economic conditions, we may be unable to effectively plan for and respond to those changes, and our business could be negatively affected.

Our Ability to Attract and Retain Key Employees Is Critical to Our Success

Given the unique business we operate and the importance of customer relationships to our business, our future success is dependent, in large part, upon our ability to attract and retain highly qualified managerial, operational and sales personnel. Competition for talented personnel is intense, and we cannot be certain that we can retain our managerial, operational and sales personnel or that we can attract, assimilate or retain such personnel in the future. Our inability to attract and retain such personnel could have an adverse effect on our business, results of operations and financial condition.

Our Results of Operations Have Been and May Be Subject to Significant Fluctuations

Our quarterly and annual operating results have fluctuated in the past and may vary in the future due to a wide variety of factors including:

- the addition or loss of contracts with retailers;
- the addition or loss of customers or changes in timing and amount of our customers' spending with us;
- the timing of seasonal events for customers;
- the timing of new retail stores being added or removed;
- costs of evaluating and developing new products, and customers accepting new products;
- the timing of additional selling, marketing and general and administrative expenses; and
- competitive conditions in our industry.

Due to these factors, our quarterly and annual net sales, expenses and results of operations could vary significantly in the future and this could adversely affect the market price of our common stock.

Investment in Our Stock Could Result in Fluctuating Returns

During 2019, the sale prices of our common stock as reported by The Nasdaq Stock Market ranged from a low of $0.67 to a high of $1.68. We believe factors such as the fluctuations in our quarterly and annual operating results described above, the market's acceptance of our services and products, the performance of our business relative to market expectations, as well as limited daily trading volume of our stock and general volatility in the securities markets, could cause the market price of our common stock to fluctuate substantially. In addition, the stock markets have experienced price and volume fluctuations, resulting in changes in the market prices of the stock of many companies, which may not have been directly related to the operating performance of those companies.

Nasdaq may Delist Our Common Stock, which Could Limit Your Ability to Make Transactions in Our Securities and Subject Our Common Stock to Additional Restrictions

On December 31, 2019, we received a letter from the Nasdaq Stock Market ("Nasdaq") stating that the closing bid price of our company's common stock was below the minimum bid price of $1.00 per share required by Listing Rule 5550(a)(2) (the "Minimum Bid Price Requirement") for at least 30 consecutive business days. In accordance with Listing Rule 5810(c)(3)(A), our Company has a compliance period of 180 days, or until June 29, 2020, to regain compliance with the Minimum Bid Price Requirement. In order to regain compliance, our common stock must maintain a consolidated bid price of $1.00 or greater for a minimum of ten consecutive business days during the compliance period.

If compliance with the Minimum Bid Price Requirement cannot be demonstrated by June 29, 2020, then our Company may be eligible for a second 180-day period to regain compliance. To be eligible, our Company will be required to meet continued listing requirements for market value of publicly held shares and all other initial listing standards for The Nasdaq Capital Market (except the Minimum Bid Price Requirement) and we will need to provide Nasdaq with written notice of our intention to cure the deficiency during the second compliance period, which may take the form of a reverse stock split. If we do not regain compliance with the Minimum Bid Price Requirement prior to June 29, 2020 and are not eligible for the second compliance period, or if it appears to the Nasdaq staff that our Company will not be able to regain compliance, then our common stock will be subject to delisting. At such time, we may have an opportunity to appeal Nasdaq's delisting determination.

The notice from Nasdaq has no immediate effect on the trading of our common stock and our common stock is expected to remain listed on Nasdaq during the compliance period(s).

If the bid price of our common stock fails to regain compliance it may be subject to delisting. Our common stock would likely then trade only in the over-the-counter market. If our common stock were to trade on the over-the-counter market, selling our common stock could be more difficult because smaller quantities of shares would likely be bought and sold, transactions could be delayed, and we could face significant material adverse consequences, including: a limited availability of market quotations for our securities; reduced liquidity with respect to our securities; a determination that our shares are a "penny stock," which will require brokers trading in our securities to adhere to more stringent rules, possibly resulting in a reduced level of trading activity in the secondary trading market for our securities; a reduced amount of news for our Company.

We May be Impacted if Our Information Systems Are Attacked

We rely upon information technology systems and networks in connection with a variety of business activities, some of which are managed by third parties. Additionally, we collect and store data that is sensitive to Insignia and its employees, customers, retailer network and suppliers. The secure operation of these information technology systems and networks, and the processing and maintenance of this data, is critical to our business operations and strategy. Information technology security threats—from user error to attacks designed to gain unauthorized access to our systems, networks and data—are increasing in frequency and sophistication. Attacks may range from random attempts to coordinated and targeted attacks, including sophisticated computer crime and advanced persistent threats. These threats pose a risk to the security of our systems, networks and products and the confidentiality, availability and integrity of the data we process and maintain. Establishing systems and processes to address these threats and changes in legal requirements relating to data collection and storage may increase our costs. Should such an attack succeed, it could expose us and our employees, customers, retailer network and suppliers to misuse of information or systems, the compromising of confidential information, theft of assets, manipulation and destruction of data, defective products, production downtimes and operations disruptions, and breach of privacy, which may require notification under data privacy and other applicable laws. The occurrence of any of these events could have a material adverse effect on our reputation, business, financial condition, results of operations and cash flows. In addition, such breaches in security could result in litigation, regulatory action and potential liability and the costs and operational consequences of implementing further data protection measures.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

The Company has leased approximately 24,000 square feet of office and warehouse space in suburban Minneapolis, Minnesota, through March 31, 2021. We will be examining available options to meet our foreseeable needs.

Item 3. Legal Proceedings

In July 2019, we brought suit against News America in the U.S. District Court in Minnesota, alleging violations of federal and state antitrust and tort laws by News America. The complaint alleges that News America has monopolized the national market for third-party in-store advertising and promotion products and services through various wrongful acts designed to harm the Company, its last significant competitor. The suit seeks, among other relief, an injunction sufficient to prevent further antitrust injury and an award of treble damages to be determined at trial for the harm caused to our Company.

In August 2019, News America filed an answer and counterclaim. In October 2019, News America moved for a judgment on the pleadings. Management believes that the counterclaim is without merit, and we filed a response brief on November 11, 2019. We also moved to dismiss the counterclaim against us. The Court heard oral arguments from both parties on January 14, 2020, and a decision is outstanding.

Discovery is underway and trial has been scheduled for June 2021. Due to the early nature of these proceedings, we are unable to determine the likelihood of an unfavorable outcome or estimate any potential resulting liability at this time.

Item 4. Mine Safety Disclosures

Not applicable.

PART II.

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

The Company's common stock is listed on the Nasdaq Capital Market under the symbol ISIG.

As of March 9, 2020, the Company had one class of Common Stock held by approximately 111 holders of record.

Dividends

The Company has not historically paid dividends, other than two one-time special dividends declared in 2011 and 2016, respectively. The Board of Directors intends to retain earnings for use in the Company's business and does not anticipate paying cash dividends in the foreseeable future.

Share Repurchase Program

On April 5, 2018, the Board of Directors authorized the repurchase of up to $3,000,000 of the Company's common stock on or before March 31, 2020. The plan allows the repurchases to be made in open market or privately negotiated transactions. The plan does not obligate the Company to repurchase any particular number of shares and may be suspended at any time at the Company's discretion. During the three months ended December 31, 2019, there was no share repurchase activity. As of December 31, 2019, $2,702,000 remained available for repurchase under the existing authorization.

Item 6. Selected Financial Data

Smaller reporting companies are not required to provide disclosure pursuant to this Item.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the financial statements and the related notes included in this Annual Report on Form 10-K. This report contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those in such forward-looking statements as a result of many factors, including those discussed in "Forward-Looking Statements" and elsewhere in this report.

Overview

We are a leading provider of in-store and digital advertising solutions to consumer-packaged goods ("CPG") manufacturers, retailers, shopper marketing agencies and brokerages. We believe our products and services are attractive to our clients because of our speed to market, ability to customize our solutions down to store level and the results our solutions deliver. We have leaders and employees with extensive industry knowledge with direct experience in both CPG manufacturers and retailers. We provide marketing solutions to CPG manufacturers spanning from some of the largest multinationals to new and emerging brands.

We face increasingly intense competition for the marketing expenditures of CPG manufacturers for at-shelf advertising-related signage. We have observed increased competition in growing and maintaining our network of retailers into which we are authorized to sell solutions as competitors continue to purchase new or extend exclusive arrangements with retailers for that purpose. New product investments by large and emerging CPG manufacturers give us optimism that our product portfolio is relevant to our clients.

Over the past several years, we have significantly expanded our offered solutions and have developed a portfolio designed to more holistically meet the needs of our clients and partners which will diversify our portfolio. Our focus on portfolio diversification resulted in our 2019 Non-POPS revenue growing 53% versus full-year 2018. We remain committed to further refining and enhancing our solutions and broadening our retailer partnerships to support our CPG clients.

Results of Operations

The following table sets forth, for the periods indicated, certain items in the Company's Statements of Operations as a percentage of total net sales.

For the Years Ended December 31	**2019**	**2018**
Net sales	100.0 %	100.0 %
Cost of sales	78.3	62.2
Gross profit	21.7	37.8
Operating expenses:		
Selling	12.1	10.3
Marketing	10.9	8.0
General and administrative	15.1	14.0
Impairment loss	9.2	-
Total operating expenses	47.3	32.3
Operating income (loss)	(25.6)	5.5
Other income	0.6	0.2
Income (loss) before taxes	(25.0)	5.7
Income tax expense (benefit)	(2.1)	1.5
Net income (loss)	(22.9) %	4.2 %

Year Ended December 31, 2019 Compared to Year Ended December 31, 2018

Net Sales. Net sales for the year ended December 31, 2019 decreased 33.9% to $21,954,000, compared to $33,236,000 for the year ended December 31, 2018.

Service revenues for the year ended December 31, 2019 decreased 36.0% to $20,229,000, compared to $31,623,000 for the year ended December 31, 2018. The decrease was primarily due to a $14,330,000, or 54.8%, decrease in POPS solution revenue, partially offset by a $2,936,000, or 53.4%, increase in innovation solutions revenue. The decrease in POPS solution revenue was primarily due to decreases in the number of signs placed and average price per sign, which were due to the loss of a significant retailer and a significant CPG manufacturer both as a result of competitive pressures, and the completion of a non-recurring favorable CPG contract.

Product revenues for the year ended December 31, 2019 increased 6.9% to $1,725,000, compared to $1,613,000 for the year ended December 31, 2018. The increase was primarily due to higher sales of custom print solutions due to sales to new and existing customers.

Gross Profit. Gross profit for the year ended December 31, 2019 decreased 62.1% to $4,761,000, compared to $12,561,000 for the year ended December 31, 2018. Gross profit as a percentage of total net sales decreased to 21.7% for the year ended December 31, 2019, compared to 37.8% for the year ended December 31, 2018.

Gross profit from service revenues for the year ended December 31, 2019 decreased 63.2% to $4,473,000, compared to $12,156,000 for the year ended December 31, 2018. The decrease in gross profit was primarily due to a decrease in POPS solution sales as gross profit is highly dependent on sales levels due to the relatively fixed nature of a portion of payments to retailers, combined with the decrease in average price per sign due to the completion of a non-recurring favorable contract, and was partially offset by an increase in revenue and gross profit from sign solutions excluding POPS signage solution.

The Company put into service the new IT operating infrastructure system in the second quarter of 2019, as a result, the Company incurred costs of approximately $193,000 associated with the development of its new IT operating infrastructure during 2019 compared to approximately $553,000 for 2018. The Company will continue to enhance the implemented software solutions to further support new product solutions.

Gross profit as a percentage of service revenues decreased to 22.1% for the year ended December 31, 2019, compared to 38.4% for the year ended December 31, 2018. The decrease was primarily due to the factors described above.

Gross profit from our product sales for the year ended December 31, 2019 decreased 28.9% to $288,000, compared to $405,000 for the year ended December 31, 2018. Gross profit as a percentage of product sales decreased to 16.7% for 2019, compared to 25.1% for 2018. The decrease was primarily due to increased production related costs and product mix.

Operating Expenses

Selling. Selling expenses for the year ended December 31, 2019 decreased 22.5% to $2,658,000, compared to $3,429,000 for the year ended December 31, 2018, primarily due to reduced variable staff related expenses. Selling expenses as a percentage of total net sales increased to 12.1% in 2019, compared to 10.3% in 2018, primarily due to decreased sales, partially offset by the reduced variable staff related expenses.

Marketing. Marketing expenses for the year ended December 31, 2019 decreased 10.5% to $2,394,000, compared to $2,674,000 for the year ended December 31, 2018. The decrease was primarily the result of decreased staffing and variable staff related expenses, partially offset by increased consulting expenses. Marketing expenses as a percentage of total net sales increased to 10.9% in 2019, compared to 8.0% in 2018, primarily due to decreased sales, partially offset by the reduced variable staff related expenses.

General and Administrative. General and administrative expenses for the year ended December 31, 2019 decreased 28.1% to $3,324,000, compared to $4,626,000 for the year ended December 31, 2018. The decrease of $1,302,000 reflects the $460,000 of expenses in 2018 related to the negotiation and satisfaction of obligations under the Cooperation Agreement with Nick Swenson, Air T, Inc. and Groveland Capital LLC, dated May 17, 2018. The remainder of the decrease was primarily due to reductions in variable staff related expenses. General and administrative expenses as a percentage of total net sales increased to 15.1% in 2019, compared to 14.0% in 2018, primarily due to decreased sales, partially offset by items identified above.

Impairment Loss. Impairment loss for the year ended December 31, 2019 was $2,014,000 driven by a long-lived asset impairment charge which is described further in Item 8, footnote 1. There was no impairment loss during 2018.

Other Income. Other income for the year ended December 31, 2019 increased to $142,000, compared to $51,000 for the year ended December 31, 2018. The increase was due to interest generated from held to maturity investments for a portion of 2019 and money market funds.

Income Taxes. During the year ended December 31, 2019, the Company recorded an income tax benefit of $466,000, compared to an income tax expense of $484,000 for the year ended December 31, 2018. The effective tax rate was 8.5% and 25.7% for the years ended December 31, 2019 and 2018, respectively. The primary differences between the Company's December 31, 2019 and 2018 effective tax rates and the statutory federal rates are expenses related to stock-based compensation in the amounts of $172,000 and $44,000, respectively, nondeductible meals and entertainment of $32,000 and

$56,000, respectively, and a change in the Company's valuation allowance against its deferred assets of $769,000 and ($29,000), respectively. The effective tax rate fluctuates between periods based on the level of permanent differences and other discrete items relative to the level of pre-tax income (loss) for the period.

Net Income (Loss). For the reasons stated above, the net loss for the year ended December 31, 2019 was $5,021,000 compared to a net income of $1,399,000 for the year ended December 31, 2018.

Liquidity and Capital Resources

The Company has financed its operations with proceeds from stock sales and sales of its services and products. At December 31, 2019, working capital (current assets less current liabilities) was $11,395,000 compared to $13,351,000 at December 31, 2018. During the year ended December 31, 2019, cash and cash equivalents decreased $2,650,000 from $10,160,000 at December 31, 2018, to $7,510,000 at December 31, 2019.

Operating Activities: Net cash used in operating activities during the year ended December 31, 2019 was $2,311,000. Net loss of $5,021,000, plus non-cash adjustments of $3,622,000, less changes in operating assets and liabilities of $912,000 resulted in the $2,311,000 of cash used in operating activities. The non-cash adjustments consisted of depreciation and amortization expense, impairment loss, changes in allowance for doubtful accounts, deferred income tax benefit, and stock-based compensation expense. The largest components of the change in operating assets and liabilities were accrued liabilities, which decreased cash by $1,680,000, and accounts receivable, which increased cash by $1,161,000. In the normal course of business, accounts receivable, accounts payable, accrued liabilities and deferred revenue will fluctuate depending on the level of revenues and related business activity, as well as billing arrangements with customers and payment terms with retailers.

Investing Activities: Net cash used in investing activities during the year ended December 31, 2019 was $398,000, which was primarily related to investing in the IT operating infrastructure project, which consisted of hardware, purchased software and capitalization of costs for internally developed software. The Company does not have material property and equipment commitments in 2020.

Financing Activities: Net cash provided by financing activities during the year ended December 31, 2019 was $59,000, which primarily related to proceeds received from issuance of common stock under the employee stock purchase plan.

We believe that based upon current business conditions and plans, its existing cash balance and future cash generated from operations will be sufficient for our cash requirements for at least the next twelve months.

Critical Accounting Policies and Estimates

Our discussion of our financial condition and results of operations is based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. During the preparation of these financial statements, we are required to make estimates and assumptions that affect the reported amounts of assets, liabilities, net sales, costs and expenses and related disclosures. On an ongoing basis, we evaluate our estimates and assumptions, including those related to revenue recognition, allowance for doubtful accounts, impairment of long-lived assets, income taxes, and stock-based compensation expense. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances. The results of our analysis form the basis for making assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions, and the impact of such differences may be material to our financial statements.

We believe the following critical accounting policies affect our more significant judgments and estimates used in the preparation of our financial statements:

Revenue Recognition. The Company recognizes revenue from Insignia In-Store Signage Solutions ratably over the period of service, which is typically a two-to-four-week display cycle. The Company recognizes revenue related to custom print solutions and sign card sales at the time the products are shipped to customers. Revenue from innovation initiatives or other retailer approved promotional services and sign solutions is recognized with a mix of over-time and point in time recognition dependent on type of service performed. Revenue that has been billed and not yet recognized is reflected as deferred revenue on the Company's balance sheet.

Allowance for Doubtful Accounts. An allowance is established for estimated uncollectible accounts receivable. The Company determines its allowance by considering a number of factors, including the length of time trade accounts receivable are past due, the Company's previous loss history, the customer's current ability to pay its obligation to the Company, the condition of the general economy and the industry as a whole and other relevant facts and circumstances. Unexpected changes in the aforementioned factors could result in materially different amounts.

Impairment of Long-Lived Assets. The Company periodically evaluates the carrying value of its long-lived assets for impairment indicators. If indicators of impairment are present, we evaluate the carrying value of the assets in relation to the future undiscounted cash flows of the underlying assets to assess recoverability of the assets. The estimates of these future cash flows are based on assumptions and projections believed by management to be reasonable and supportable. They require management's subjective judgments and take into account assumptions about revenue and expense growth rates. Impaired assets are then recorded at their estimated fair market value.

The Company identified indicators of impairment due to the current year operating loss, cash flows used in operations and the excess of the book value of the Company compared to its market capitalization, which became a significant difference during the last two months of 2019. Due to these indicators of impairment, the Company completed an impairment analysis on its long-lived assets by first reviewing the expected undiscounted cash flows compared to the carrying value over the primary asset's remaining useful life to determine if further impairment testing was required. The Company prepared an undiscounted cash flow analysis related to its selling agreement which is a separate asset group and as the undiscounted cash flows exceeded the carrying value, no further impairment testing was required. For the property and equipment asset group, the undiscounted cash flows were less than carrying value and therefore, a fair value assessment was required to determine the amount of the impairment. Due to the nature of the primary asset (internally developed software), the most readily available fair market value related to the asset is the market capitalization of the Company which is considered a level 1 measurement (quoted market price). After allocating the Company's market capitalization to its working capital, there was no remaining value to allocate to long-lived assets which included the internally developed software recently placed in service. The Company utilized other level 3 inputs to determine the fair value of other tangible long-lived assets, including appraised values of production tooling, machinery and equipment. As a result, the Company recorded a long-lived asset impairment charge totaling $2,014,000 during the 4th quarter 2019 which is described further in Item 8, footnote 1.

Income Taxes. Deferred income taxes are determined based on the estimated future tax effects of differences between the financial statement and tax basis of assets and liabilities given the provisions of enacted tax laws. Deferred income tax provisions and benefits are based on changes to the assets or liabilities from year to year. In providing for deferred taxes, the Company considers tax regulations of the jurisdictions in which it operates, estimates of future taxable income, and available tax planning strategies. If tax regulations, operating results or the ability to implement tax-planning strategies vary, adjustments to the carrying value of deferred tax assets and liabilities may be required. Valuation allowances are recorded related to deferred tax assets based on the "more likely than not" criteria.

The Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority.

Stock-Based Compensation Expense. The Company measures and recognizes compensation expense for all stock-based payments at fair value. Restricted stock awards and restricted stock units are valued at the closing market price of the Company's stock on the date of the grant. The Company uses the Black-Scholes option pricing model to determine the weighted average fair value of options and employee stock purchase plan rights. The determination of fair value of share-based payment awards on the date of grant using an option-pricing model is affected by our stock price as well as by assumptions regarding a number of complex and subjective variables. These variables include, but are not limited to, the expected stock price volatility over the term of the awards, and actual and projected employee stock option exercise behaviors. The expected terms of the options and employee stock purchase plan rights are based on evaluations of historical and expected future employee exercise behavior. The risk-free interest rate is based on the U.S. Treasury rates at the date of grant with maturity dates approximately equal to the expected life at grant date. Volatility is based on historical volatility of the Company's stock. The Company has not historically issued any dividends beyond the one-time dividends declared in 2011 and 2016 and does not expect to in the future. Forfeitures are estimated at the time of the grant and revised, if necessary, in subsequent periods if actual forfeitures differ from estimates.

If factors change and the Company employs different assumptions in the valuation of grants in future periods, the compensation expense that the Company records may differ significantly from what it has recorded in the current period.

New Accounting Pronouncements

A description of new accounting pronouncements is contained in Note 1 of the Notes to Financial Statements.

Off-Balance Sheet Transactions

None.

Forward-Looking Statements

Statements in this report that are not statements of historical or current facts are considered forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended. The words “anticipates,” “believes,” “estimates,” “expects,” “future,” “intends,” “likely,” “may,” “seeks,” “will,” “should” and similar expressions may identify forward-looking statements. Readers are cautioned not to place undue reliance on these or any forward-looking statements, which speak only as of the date of this report. Statements made in this report regarding, for instance, anticipated future growth, changes in composition of retailer and CPG manufacturer networks, innovation and transformation of the Company’s business, and the nature or impact of pending legal proceedings, are forward-looking statements. These forward-looking statements are based on current information, which we have assessed and which by its nature is dynamic and subject to rapid and even abrupt changes. As such, actual results may differ materially from the results or performance expressed or implied by such forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors, including those set forth in this report and additional risks, if any, identified in our Quarterly Reports on Form 10-Q and our Current Reports on Forms 8-K filed with the SEC. Such forward-looking statements should be read in conjunction with the Company's filings with the SEC. Insignia assumes no responsibility to update the forward-looking statements contained in this report or the reasons why actual results would differ from those anticipated in any such forward-looking statement, other than as required by law.

Our business faces significant risks, including the risks described above. If any of the events or circumstances described in the following risks occurs, our business, financial condition or results of operations could suffer, and the trading price of our common stock could decline.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Smaller reporting companies are not required to provide disclosure pursuant to this Item.

Item 8. Financial Statements and Supplementary Data

INDEX TO FINANCIAL STATEMENTS

The following are included on the pages indicated:

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Statements of Shareholders’ Equity for the years ended December 31, 2019 and 2018	19
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the board of directors of Insignia Systems, Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Insignia Systems, Inc. (the "Company") as of December 31, 2019 and 2018, the related consolidated statements of operations, shareholders' equity, and cash flows, for each of the two years in the period ended December 31, 2019, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2019, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Baker Tilly Virchow Krause, LLP

We have served as the Company's auditor since 2011.

Minneapolis, Minnesota

March 10, 2020

Insignia Systems, Inc.
BALANCE SHEETS

As of December 31	2019	2018
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 7,510,000	$ 10,160,000
Accounts receivable, net	7,559,000	8,763,000
Inventories	322,000	353,000
Income tax receivable	126,000	127,000
Prepaid expenses and other	375,000	306,000
Total Current Assets	15,892,000	19,709,000
Other Assets:		
Property and equipment, net	549,000	3,268,000
Operating lease right-of-use assets	177,000	-
Other, net	372,000	976,000
Total Assets	$ 16,990,000	$ 23,953,000
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable:		
Other	3,036,000	3,334,000
Accrued liabilities:		
Compensation	539,000	2,021,000
Other	570,000	701,000
Current portion of operating lease liabilities	212,000	-
Deferred revenue	140,000	302,000
Total Current Liabilities	4,497,000	6,358,000
Long-Term Liabilities:		
Deferred tax liabilities	-	504,000
Accrued income taxes	643,000	613,000
Deferred rent	-	158,000
Operating lease liabilities	56,000	-
Total Long-Term Liabilities	699,000	1,275,000
Commitments and Contingencies		
Shareholders' Equity:		
Common stock, par value $.01:		
Authorized shares - 40,000,000		
Issued and outstanding shares - 12,074,000 in 2019 and 11,840,000 in 2018	121,000	118,000
	15,934,000	15,442,000
Retained earnings (Accumulated deficit)	(4,261,000)	760,000
Total Shareholders' Equity	11,794,000	16,320,000
Total Liabilities and Shareholders' Equity	$ 16,990,000	$ 23,953,000

See accompanying notes to financial statements.

Insignia Systems, Inc.
STATEMENTS OF OPERATIONS

Year Ended December 31	**2019**	**2018**
Services revenues	$ 20,229,000	$ 31,623,000
Products revenues	1,725,000	1,613,000
Total Net Sales	21,954,000	33,236,000
Cost of services	15,756,000	19,467,000
Cost of goods sold	1,437,000	1,208,000
Total Cost of Sales	17,193,000	20,675,000
Gross Profit	4,761,000	12,561,000
Operating Expenses:		
Selling	2,658,000	3,429,000
Marketing	2,394,000	2,674,000
General and administrative	3,324,000	4,626,000
Impairment loss	2,014,000	-
Total Operating Expenses	10,390,000	10,729,000
Operating Income (Loss)	(5,629,000)	1,832,000
Other income	142,000	51,000
Income (Loss) Before Taxes	(5,487,000)	1,883,000
Income tax expense (benefit)	(466,000)	484,000
Net Income (Loss)	$ (5,021,000)	$ 1,399,000
Net income (loss) per share:		
Basic	$ (0.42)	$ 0.12
Diluted	$ (0.42)	$ 0.12
Shares used in calculation of net income (loss) per share:		
Basic	11,941,000	11,776,000
Diluted	11,941,000	12,007,000

See accompanying notes to financial statements.

Insignia Systems, Inc.
STATEMENTS OF SHAREHOLDERS' EQUITY

	Common Stock		Additional Paid-In	Retained Earnings	
	Shares	Amount	Capital	(Accumulated Deficit)	Total
Balance at January 1, 2018	11,914,000	$ 119,000	$ 15,361,000	$ (639,000)	$ 14,841,000
Issuance of common stock, net	49,000	1,000	48,000	-	49,000
Repurchase of common stock, net	(164,000)	(2,000)	(296,000)	-	(298,000)
Repurchase of common stock upon vesting of restricted stock awards and vesting of restricted stock units, net	(22,000)	-	(81,000)	-	(81,000)
Value of stock-based compensation	-	-	410,000	-	410,000
Restricted stock award issuance	63,000	-	-	-	-
Net income	-	-	-	1,399,000	1,399,000
Balance at December 31, 2018	11,840,000	118,000	15,442,000	760,000	16,320,000
Issuance of common stock, net	107,000	1,000	107,000	-	108,000
Repurchase of common stock upon vesting of restricted stock units	(20,000)	2,000	(37,000)	-	(35,000)
Value of stock-based compensation	-	-	422,000	-	422,000
Restricted stock award issuance	147,000	-	-	-	
Net loss	-	-	-	(5,021,000)	(5,021,000)
Balance at December 31, 2019	12,074,000	$ 121,000	$ 15,934,000	$ (4,261,000)	$ 11,794,000

See accompanying notes to financial statements.

Insignia Systems, Inc.
STATEMENTS OF CASH FLOWS

Year Ended December 31	**2019**	**2018**
Operating activities:		
Net income (loss)	$ (5,021,000)	$ 1,399,000
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,647,000	1,167,000
Impairment loss	2,014,000	-
Changes in allowance for doubtful accounts	43,000	(191,000)
Deferred income tax expense (benefit)	(504,000)	259,000
Stock-based compensation	422,000	410,000
Gain on sale of property and equipment	-	(35,000)
Changes in operating assets and liabilities:		
Accounts receivable	1,161,000	3,292,000
Inventories	31,000	(52,000)
Income tax receivable	1,000	233,000
Prepaid expenses and other	(69,000)	109,000
Accounts payable	(224,000)	95,000
Accrued liabilities	(1,680,000)	463,000
Accrued income taxes	30,000	32,000
Deferred revenue	(162,000)	(70,000)
Net cash provided by (used in) operating activities	(2,311,000)	7,111,000
Investing activities:		
Purchases of property and equipment	(398,000)	(1,337,000)
Proceeds from sale of property and equipment	-	35,000
Purchase of held to maturity investments	(4,981,000)	-
Proceeds from sale of held to maturity investments	4,981,000	-
Net cash used in investing activities	(398,000)	(1,302,000)
Financing activities:		
Cash dividends paid ($0.70 per share)	(14,000)	(14,000)
Proceeds from issuance of common stock, net	108,000	49,000
Repurchase of common stock upon vesting of restricted stock awards and vesting of restricted stock units	(35,000)	(81,000)
Repurchase of common stock, net	-	(298,000)
Net cash provided by (used in) financing activities	59,000	(344,000)
Increase (decrease) in cash and cash equivalents	(2,650,000)	5,465,000
Cash and cash equivalents at beginning of year	10,160,000	4,695,000
Cash and cash equivalents at end of year	$ 7,510,000	$ 10,160,000
Supplemental disclosures for cash flow information:		
Cash paid (refunded) during the year for income taxes	$ 8,000	$ (39,000)
Non-cash investing and financing activities:		
Cash dividends declared included in accounts payable	$ 28,000	$ 42,000
Purchases of property and equipment included in accounts payable	$ -	$ 60,000

See accompanying notes to financial statements.

1. **Summary of Significant Accounting Policies**.

Description of Business. Insignia (the "Company") is a leading provider of in-store and digital advertising solutions to consumer-packaged goods ("CPG") manufacturers, retailers, shopper marketing agencies and brokerages. The Company operates in a single reportable segment. The Company has leaders and employees with extensive industry knowledge with direct experience in both CPG manufacturers and retailers. The Company provides marketing solutions to CPG manufacturers spanning from some of the largest multinationals to new and emerging brands.

Revenue Recognition. The Company recognizes revenue from its in-store signage solutions ratably over the period of service. Other service revenue from innovation initiatives or other retailer approved promotional services and sign solutions is recognized with a mix of over-time and point in time recognition dependent on type of service performed. The Company recognizes revenue related to custom print solutions and sign card sales at the time the products are shipped to customers. Revenue that has been billed and not yet earned is reflected as deferred revenue on the balance sheet. The Company accounts for taxes collected for customers on a net basis.

Cash and Cash Equivalents. The Company considers all highly liquid investments with an original maturity date of three months or less to be cash equivalents. Cash equivalents are stated at cost, which approximates fair value. At December 31, 2019 and 2018, $7,333,000 and $9,393,000 was invested in an insured sweep account and money market account, respectively. The balances in cash accounts, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents. Amounts held in checking accounts and in insured cash sweep accounts during the years ended December 31, 2019 and 2018 were fully insured under the Federal Deposit Insurance Corporation.

Fair Value of Financial Measurements. Fair value is defined as the exit price, or the amount that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants as of the measurement date. Accounting Standards Codification ("ASC") 820-10 also establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs market participants would use in valuing the asset or liability, developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect management's assumptions about the factors market participants would use in valuing the asset or liability developed based upon the best information available in the circumstances.

The hierarchy is divided into three levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active and inputs (other than quoted prices) that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. Categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The Company records certain financial assets and liabilities at their carrying amounts that approximate fair value, based on their short-term nature. These financial assets and liabilities included cash and cash equivalents, accounts receivable and accounts payable.

Accounts Receivable. The majority of the Company's accounts receivable is due from companies in the consumer-packaged goods industry. Credit is extended based on evaluation of a customer's financial condition and, generally, collateral is not required. Accounts receivable are due within 30-150 days and are stated at amounts due from customers, net of an allowance for doubtful accounts. Accounts receivable outstanding longer than the contractual payment terms are considered past due. The Company determines its allowance by considering a number of factors, including the length of time trade accounts receivable are past due, the Company's previous loss history, the customer's current ability to pay its obligation to the Company, and the condition of the general economy and the industry as a whole. The Company writes-off accounts receivable when they become uncollectible, and payments subsequently received on such receivables are credited to the allowance for doubtful accounts.

Changes in the Company's allowance for doubtful accounts are as follows:

December 31	**2019**	**2018**
Beginning balance	$ 22,000	$ 213,000
Bad debt provision	47,000	6,000
Accounts written-off	(4,000)	(197,000)
Ending balance	$ 65,000	$ 22,000

Inventories. Inventories are primarily comprised of sign cards and hardware. Inventory is valued at the lower of cost or net realizable value using the first-in, first-out (FIFO) method, and consists of the following:

December 31	**2019**	**2018**
Raw materials	$ 47,000	$ 80,000
Work-in-process	16,000	12,000
Finished goods	259,000	261,000
	$ 322,000	$ 353,000

Property and Equipment. Property and equipment is recorded at cost. Significant additions or improvements extending asset lives are capitalized, while repairs and maintenance are charged to expense when incurred. Internally developed software is capitalized upon completion of preliminary project stage and when it is probable the project will be completed. Expenditures are capitalized for all development activities, while expenditures related to planning, training, and maintenance are expensed. Depreciation is provided in amounts sufficient to relate the cost of assets to operations over their estimated useful lives. The straight-line method of depreciation is used for financial reporting purposes and accelerated methods are used for tax purposes. Estimated useful lives of the assets are as follows:

Production tooling, machinery and equipment	1 - 6 years
Office furniture and fixtures	1 - 3 years
Computer equipment and software	3 - 5 years

Impairment of Long-Lived Assets. The Company records impairment losses on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amount. Impaired assets are then recorded at their estimated fair value.

A hierarchy for inputs used in measuring fair value is in place that distinguishes market data between observable independent market inputs and unobservable market assumptions by the reporting entity. The hierarchy is intended to maximize the use of observable inputs and minimize the use of unobservable inputs by requiring that the most observable inputs be used when available.

The Company identified indicators of impairment due to the current year operating loss, cash flows used in operations and the excess of the book value of the Company compared to its market capitalization, which became a significant difference during the last two months of 2019. Due to these indicators of impairment, the Company completed an impairment analysis on its long-lived assets by first reviewing the expected undiscounted cash flows compared to the carrying value over the primary asset's remaining useful life to determine if further impairment testing was required. The Company prepared an undiscounted cash flow analysis related to its selling agreement (see Note 3) which is a separate asset group and as the undiscounted cash flows exceeded the carrying value, no further impairment testing was required. For the property and equipment asset group, the undiscounted cash flows were less than carrying value and therefore, a fair value assessment was required to determine the amount of the impairment. Due to the nature of the primary asset (internally developed software), the most readily available fair market value related to the asset is the market capitalization of the Company which is considered a level 1 measurement (quoted market price). After allocating the Company's market capitalization to its working capital, there was no remaining value to allocate to long-lived assets which included the internally developed software recently placed in service. The Company utilized other level 3 inputs to determine the fair value of other tangible long-lived assets, including appraised values of production tooling, machinery and equipment. As a result, the Company recorded a long-lived asset impairment charge totaling $2,014,000 during the 4th quarter 2019.

Property and Equipment, net:	
Balance prior to impairment	$ 2,563,000
Impairment charge	(2,014,000)
Ending balance	$ 549,000

Income Taxes. Income taxes are accounted for under the liability method. Deferred income taxes are provided for temporary differences between the financial reporting and tax basis of assets and liabilities. Deferred taxes are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or the entire deferred tax asset will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of the enactment. It is the Company's policy to provide for uncertain tax positions and the related interest and penalties based upon management's assessment of whether a tax benefit is more likely than not to be sustained upon examination by tax authorities. The Company recognizes interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense (benefit).

Stock-Based Compensation. The Company measures and recognizes compensation expense for all stock-based awards at fair value. Restricted stock units and awards are valued at the closing market price of the Company's stock on the date of the grant. The Company uses the Black-Scholes option pricing model to determine the weighted average fair value of options and employee stock purchase plan rights. The determination of fair value of share-based payment awards on the date of grant using an option-pricing model is affected by our stock price as well as by assumptions regarding a number of complex and subjective variables. These variables include, but are not limited to, the expected stock price volatility over the term of the awards, and actual and projected employee stock option exercise behaviors.

The expected lives of the options and employee stock purchase plan rights are based on evaluations of historical and expected future employee exercise behavior. The risk-free interest rate is based on the U.S. Treasury rates at the date of grant with maturity dates approximately equal to the expected term at grant date. Volatility is based on historical and expected future volatility of the Company's stock. The Company has not historically issued any dividends beyond one-time dividends declared in 2011 and 2016 and does not expect to in the future. Forfeitures are estimated at the time of the grant and revised, if necessary, in subsequent periods if actual forfeitures differ from estimates.

Advertising Costs. Advertising costs are charged to operations as incurred. Advertising expenses were approximately $133,000 and $207,000 during the years ended December 31, 2019 and 2018, respectively.

Net Income (Loss) Per Share. Basic net income (loss) per share is computed by dividing net income (loss) by the weighted average shares outstanding and excludes any dilutive effects of stock options and restricted stock units and awards. Diluted net income (loss) per share gives effect to all diluted potential common shares outstanding during the year.

Weighted average common shares outstanding for the years ended December 31, 2019 and 2018 were as follows:

Year ended December 31	2019	2018
Denominator for basic net income (loss) per share - weighted average shares	11,941,000	11,776,000
Effect of dilutive securities:		
Stock options, restricted stock units and restricted stock awards	-	231,000
Denominator for diluted net income (loss) per share - weighted average shares	11,941,000	12,007,000

Due to the net loss incurred during the year ended December 31, 2019, all stock awards were anti-dilutive for the period. Options to purchase approximately 284,000 shares of common stock outstanding for the year ended December 31, 2018 were not included in the computation of common stock equivalents because their exercise prices were higher than the average fair market value of the common shares during the year. Restricted stock units of approximately 45,000 shares for the year ended December 31, 2018 were anti-dilutive due to the amount of weighted-average unrecognized compensation related to these grants.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

Recently Adopted Accounting Pronouncement. Effective January 1, 2019, the Company adopted Financial Accounting Standards Board Accounting Standards Update ("ASU") 2016-02, *"Leases*" ("Topic 842") under which lessees will recognize most leases on the balance sheet. At the date of adoption of the standard the Company recorded a right of use asset with a value of $305,000, reduced deferred rent by $158,000 and recorded a lease liability of $463,000. The Company elected the option under Topic 842 not to restate comparative periods in the transition. In addition, the Company elected the package of practical expedients permitted under the transition guidance within the new standard which allowed it to carry forward the historical lease classification. Additional required disclosures for Topic 842 are contained in Note 5.

2. **Investments**. As of December 31, 2019, the Company did not have any investments. Prior to December 31, 2019, the Company had invested its excess cash in debt securities, with an average maturity of approximately six months, and were classified as held to maturity within current assets in accordance with Accounting Standards Codification ("ASC") 320-10, "Investments – Debt and Equity Securities."

3. **Revenue Recognition.** Under ASU 2014-09 *Revenue from Contracts with Customers* ("Topic 606"), revenue is measured based on consideration specified in the contract with a customer, adjusted for any applicable estimates of variable consideration and other factors affecting the transaction price, including noncash consideration, consideration paid or payable to a customer and significant financing components. Revenue from all customers is recognized when a performance obligation is satisfied by transferring control of a distinct good or service to a customer, as further described below under "*Performance Obligations*."

Taxes collected from customers and remitted to governmental authorities are excluded from revenue on the net basis of accounting.

The Company includes shipping and handling fees in revenues. Shipping and handling costs associated with outbound freight after control over a product has transferred to a customer are accounted for as a fulfillment cost and are included in cost of goods sold.

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account under Topic 606. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The following is a description of the Company's performance obligations included in its primary revenue streams and the timing or method of revenue recognition for each:

In-Store Signage Solution Services. The Company's primary source of revenue is from executing in-store advertising solutions and services primarily to CPG manufacturers. The Company provides a service of displaying promotional signs in close proximity to the manufacturer's product in participating stores, which the Company maintains in two-to-four-week cycle increments.

Each of the individual activities under the Company's services, including production activities, are inputs to an integrated sign display service. Customers receive and consume the benefits from the promotional displays over the duration of the contracted display cycle. Additionally, the display of the signs does not have an alternative use to the Company and the Company has an enforceable right to payment for services performed to date. As a result, the Company recognizes the transaction price for its POPS service performance obligations as revenue over time. Given the nature of the Company's performance obligations is to provide a display service over the duration of a specified period or periods, the Company recognizes revenue on a straight-line basis over the display service period as it best reflects the timing of transfer of its POPS services**.**

Other Service Revenues. The Company also supplies CPG manufacturers with other retailer approved promotional services and sign solutions. These services are more customized than the POPS solutions program, consisting of variable durations and variable specifications. Due to the variable nature of these services, revenue recognition is a mix of amortized and point in time recognition.

Products. The Company also sells custom print solutions directly to its customers. Each such product is a distinct performance obligation. Revenue is recognized at a point in time upon shipment, when control of the goods transfers to the customer.

Disaggregation of Revenue

In the following table, revenue is disaggregated by major revenue stream and timing of revenue recognition.

	Year ended December 31, 2019		
	Services Revenues	Products Revenue	Total Revenue
Timing of revenue recognition:			
Products and services transferred over time	$ 15,172,000	$ -	$ 15,172,000
Products and services transferred at a point in time	5,057,000	1,725,000	6,782,000
Total	$ 20,229,000	$ 1,725,000	$ 21,954,000

	Year ended December 31, 2018		
	Services Revenues	Products Revenue	Total Revenue
Timing of revenue recognition:			
Products and services transferred over time	$ 28,598,000	$ -	$ 28,598,000
Products and services transferred at a point in time	3,025,000	1,613,000	4,638,000
Total	$ 31,623,000	$ 1,613,000	$ 33,236,000

Contract Costs

Sales commissions that are paid to internal or external sales representatives are eligible for capitalization as they are incremental costs that would not have been incurred without entering into a specific sales arrangement and are recoverable through the expected margin on the transaction. The Company is applying the practical expedient in Accounting Standards Codification 340-40-25-4 that allows the incremental costs of obtaining a contract to be recorded as an expense when incurred when the amortization period of the asset that would have otherwise been recognized is one year or less. These costs are included in selling expenses.

Deferred Revenue

Significant changes in deferred revenue during the period are as follows:

Balance at December 31, 2018	$ 302,000
Reclassification of beginning deferred revenue to revenue, as a result of performance obligations satisfied	(302,000)
Cash received in advance and not recognized as revenue	140,000
Balance at December 31, 2019	$ 140,000

Transaction Price Allocated to Remaining Performance Obligations

The Company applies the practical expedient in paragraph 606-10-50-14 and does not disclose information about remaining performance obligations that have original expected durations of one year or less, which reflect the majority of its performance obligations. This practical expedient is being applied to arrangements for certain incomplete services and unshipped custom signage materials. At December 31, 2019, there were no contracts with an expected duration of greater than one year.

4. **Selling Arrangement**. In 2011, the Company paid News America $4,000,000 in exchange for a 10-year arrangement to sell signs with price into News America's network of retailers as News America's exclusive agent. The $4,000,000 is being amortized over the 10-year term of the arrangement. Amortization expense was $400,000 in the year ended December 31, 2018. Amortization expense was $600,000 in the year ended December 31, 2019. The acceleration of amortization in 2019 was based on the anticipated recovery period over the remaining term of the contract due to the loss of a significant retailer. Amortization expense is expected to be $262,000 in 2020 and $55,000 in the year ending December 31, 2021. The net carrying amount of the selling arrangement is recorded within other assets on the Company's balance sheet. A summary of the carrying amount of this selling arrangement is as follows as of December 31:

	2019	2018
Gross cost	$ 4,000,000	$ 4,000,000
Accumulated amortization	(3,683,000)	(3,083,000)
Net carrying amount	$ 317,000	$ 917,000

5. **Property and Equipment.** Property and equipment consists of the following at December 31:

Year ended December 31	2019	2018
Property and Equipment:		
Production tooling, machinery and equipment	$ 3,685,000	$ 3,694,000
Office furniture and fixtures	393,000	385,000
Computer equipment and software	1,426,000	2,743,000
Leasehold improvements	-	577,000
Construction in-progress	-	1,179,000
	5,504,000	8,578,000
Accumulated depreciation and amortization	(4,955,000)	(5,310,000)
Net Property and Equipment	$ 549,000	$ 3,268,000

Depreciation expense for the years ended December 31, 2019 and 2018 was $1,044,000 and $761,000, respectively.

6. **Leases.**

The Company leases space under a non-cancelable operating lease for its corporate headquarters. This lease has escalating lease terms and also includes a tenant incentive that was recorded at the time the lease was originally entered into. The lease does not contain contingent rent provisions. The Company also has a lease for additional office space under an operating lease. The lease for the Company's corporate headquarters includes both lease (e.g., fixed payments including rent, taxes, and insurance costs) and non-lease components (e.g., common-area or other maintenance costs) which are accounted for as a single lease component as we have elected the practical expedient to group lease and non-lease components for all leases. The lease for the Company's additional office space is non-cancelable with a lease term of less than one year and therefore, we have elected the practical expedient to exclude this short-term lease from the Company's right-of-use assets and lease liabilities.

The Company's leases include options to renew. The exercise of lease renewal options is at our sole discretion. Therefore, the renewals to extend the lease terms are not included in the Company's right of use assets and lease liabilities as they are not reasonably certain of exercise. We regularly evaluate the renewal options and when they are reasonably certain of exercise, we include the renewal period in our lease term.

We used the Company's incremental borrowing rate based on the information available at the lease commencement date in determining the present value of the lease payments.

The cost components of the Company's operating leases were as follows for the period ended December 31, 2019:

	Year ended December 31, 2019		
	Corporate Headquarters	Additional Office Space	Operating Leases
Operating lease cost	$ 150,000	$ -	$ 150,000
Variable lease cost	106,000	-	106,000
Short-term lease cost	-	38,000	38,000
Total	$ 256,000	$ 38,000	$ 294,000

Variable lease costs consist primarily of taxes, insurance, and common area or other maintenance costs for the Company's leased corporate headquarters which are paid based on actual costs incurred by the lessor.

Maturities of the Company's lease liabilities for its corporate headquarters operating lease were as follows as of December 31, 2019:

Maturity of Lease Liabilities	Operating Leases
2020	$ 222,000
2021	57,000
Total lease payments	$ 279,000
Less: Interest	11,000
Present value of lease liabilities	$ 268,000

The remaining lease term as of December 31, 2019 was 1.25 years and the discount rate was 6%. The cash outflow for operating leases for the year ended December 31, 2019 was $217,000.

The following table presents future minimum lease payments for the Company's operating leases at December 31, 2018 under ASC 840 and is being presented for comparative purposes:

2019	$	217,000
2020		222,000
2021		57,000

Rent expense under these leases was approximately $184,000 for the year ended December 31, 2018.

7. **Commitments and Contingencies.**

Retailer Agreements. The Company has contracts in the normal course of business with various retailers, some of which provide for fixed or store-based payments rather than sign placement-based payments resulting in minimum commitments each year in order to maintain the agreements. During the years ended December 31, 2019 and 2018, the Company incurred $3,356,000 and $4,846,000 of costs related to fixed and store-based payments, respectively. The amounts are recorded in cost of services in the Company's statements of operations.

Aggregate commitment amounts under agreements with retailers are approximately as follows for the years ending December 31:

2020	$	2,534,000
2021		1,793,000
2022		518,000
2023		275,000

On an ongoing basis the Company negotiates renewals of various agreements with retailers, retailer contracts generally have terms of one to three years. To the extent contracts with existing retailers are renewed the annual commitment amounts for 2020 and thereafter are expected to be in excess of the amounts above.

Legal. The Company is subject to various legal matters in the normal course of business.

In July 2019, we brought suit against News America in the U.S. District Court in Minnesota, alleging violations of federal and state antitrust and tort laws by News America. The complaint alleges that News America has monopolized the national market for third-party in-store advertising and promotion products and services through various wrongful acts designed to harm the Company, its last significant competitor. The suit seeks, among other relief, an injunction sufficient to prevent further antitrust injury and an award of treble damages to be determined at trial for the harm caused to our Company.

In August 2019, News America filed an answer and counterclaim. In October 2019, News America moved for a judgment on the pleadings. Management believes that the counterclaim is without merit, and we filed a response brief on November 11, 2019. We also moved to dismiss the counterclaim against us. The Court heard oral arguments from both parties on January 14, 2020, and a decision is outstanding.

Discovery is underway and trial has been scheduled for June 2021. Due to the early nature of these proceedings, we are unable to determine the likelihood of an unfavorable outcome or estimate any potential resulting liability at this time.

8. **Shareholders' Equity**.

Stock-Based Compensation. The Company's stock-based compensation plans are administered by the Compensation Committee of the Board of Directors, which, subject to approval by the Board of Directors, selects persons to receive awards and determines the number of shares subject to each award and the terms, conditions, performance measures and other provisions of the award.

The following table summarizes the stock-based compensation expense that was recognized in the Company's statements of operations for the years ended December 31, 2019 and 2018:

Year ended December 31	**2019**	**2018**
Cost of sales	$ 14,000	$ 11,000
Selling	121,000	102,000
Marketing	12,000	71,000
General and administrative	275,000	226,000
	$ 422,000	$ 410,000

The Company uses the Black-Scholes option pricing model to estimate fair value of stock-based awards with the following weighted average assumptions:

	2018
Stock Options:	
Expected life (years)	6.5
Expected volatility	51 %
Dividend yield	0 %
Risk-free interest rate	2.8 %

	2019	**2018**
Stock Purchase Plan Options:		
Expected life (years)	1.0	1.0
Expected volatility	57 %	66 %
Dividend yield	0 %	0 %
Risk-free interest rate	2.6 %	1.8 %

There were no options granted during the year ended December 31, 2019.

The Company uses the graded attribution method to recognize expense for unvested stock-based awards. The amount of stock-based compensation recognized during a period is based on the value of the awards that are ultimately expected to vest. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The Company re-evaluates the forfeiture rate annually and adjusts it as necessary.

Stock Options, Restricted Stock, Restricted Stock Units, and Other Stock-Based Compensation Awards. The Company maintains the 2003 Incentive Stock Option Plan (the "2003 Plan"), the 2013 Omnibus Stock and Incentive Plan (the "2013 Plan") and the 2018 Equity Incentive Plan (the "2018 Plan"). The 2018 Plan replaced the 2013 Plan upon its ratification by shareholders in July 2018. No further awards may be granted under the 2013 Plan or the 2003 Plan. Awards granted under the 2003 Plan and 2013 Plan will remain in effect until they are exercised or expire according to their terms.

Under the terms of the 2018 Plan, the number of shares of our common stock that may be the subject of awards and issued under the 2018 Plan was initially 900,000 plus any shares remaining available for future grants under the 2013 Plan on the effective date of the 2018 Plan. All equity awards made during 2019 were under the 2018 Plan.

Under the terms of the 2018 Plan, the Company may grant awards in a variety of instruments including stock options, restricted stock and restricted stock units to employees, consultants and directors generally at an exercise price at or above 100% of fair market value at the close of business on the date of grant. Stock options expire 10 years after the date of grant and generally vest over three years. The Company issues new shares of common stock upon grant of restricted stock, when stock options are exercised, and when restricted stock units are vested and/or settled.

The following table summarizes activity under the 2003, 2013 and 2018 Plans:

	Plan Shares Available for Grant	Plan Options Outstanding	Weighted Average Exercise Price Per Share	Aggregate Intrinsic Value
Balance at January 1, 2018	297,000	366,346	$ 2.41	
Shares reserved	900,000	—		
Restricted stock units and awards granted - 2013 Plan	(178,000)			
Restricted stock units and awards granted - 2018 Plan	(165,667)	—		
Stock options granted - 2018 Plan	(119,515)	119,515	1.95	
Stock options exercised	—	(2,276)	1.18	$ 705
Cancelled or forfeited - 2013 Plan options	51,230	(51,230)	2.17	
Cancelled or forfeited - 2013 Plan restricted stock and restricted stock units	39,884	—	1.22	
Cancelled or forfeited - 2003 Plan options	—	(59,428)	2.09	
Balance at December 31, 2018	824,932	372,927	2.36	
Restricted stock units and awards granted - 2018 Plan	(70,755)	—		
Cancelled or forfeited - 2018 Plan options	13,570	(13,570)	1.95	
Cancelled or forfeited - 2018 Plan restricted stock and restricted stock units	13,570	—	1.95	
Cancelled or forfeited - 2013 Plan options	20,492	(20,492)	2.10	
Cancelled or forfeited - 2013 Plan restricted stock and restricted stock units	21,748	—	1.72	
Cancelled or forfeited - 2003 Plan options	—	(41,666)	2.46	
Balance at December 31, 2019	823,557	297,199	2.38	

The number of options exercisable under the Plans was:

December 31, 2019	191,254
December 31, 2018	253,412

The following table summarizes information about the stock options outstanding at December 31, 2019:

	Options Outstanding			Options Exercisable	
Ranges of Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price Per Share	Number Exercisable	Weighted Average Exercise Price Per Share
$1.18 - $2.04	148,291	6.93 years	$ 1.74	42,346	$ 1.22
$2.05 - $3.09	106,557	3.05 years	2.61	106,557	2.61
$4.02	42,351	0.40 years	4.02	42,351	4.02
	297,199	4.61 years	$ 2.38	191,254	$ 2.61

Options outstanding under the Plans expire at various dates during the period from May 2020 through August 2028. Options outstanding at December 31, 2019 had no intrinsic value. Options exercisable at December 31, 2019 had a weighted average remaining life of 2.39 years and no intrinsic value. No options were granted in 2019. The weighted average grant-date fair value of options granted during the year ended December 31, 2018 was $1.04.

No restricted stock or restricted stock unit awards were granted in 2019 to employees. During the year ended December 31, 2018, the Company issued 297,515 restricted stock units under the 2013 Plan and the 2018 Plan. The shares underlying the awards were assigned a weighted average value of $1.84 per share, which was the closing price of the Company's common stock on the date of grants. These awards are scheduled to vest over three years or four years with the first vesting at the end of year two.

During June 2019, non-employee members of the Board of Directors received restricted stock grants totaling 70,755 shares pursuant to the 2018 Plan. The shares underlying the awards were assigned a value of $1.06 per share, which was the closing price of the Company's common stock on the date of grants, for a total value of $75,000, and are scheduled to vest the day immediately preceding the date of the next annual shareholder meeting. During July 2018, non-employee members of the Board of Directors received restricted stock grants totaling 46,152 shares pursuant to the 2018 Plan. The shares underlying the awards were assigned a value of $1.95 per share, which was the closing price of the Company's common stock on the date of grants, for a total value of $90,000, and vested on June 5, 2019, the date of the 2019 annual shareholder meeting.

Restricted stock and restricted stock unit transactions during the years ended December 31, 2019 and 2018 are summarized as follows:

	Number of Shares	Weighted average grant date fair value
Unvested shares at January 1, 2018	322,479	$ 1.69
Granted	343,667	1.86
Vested	(132,940)	1.47
Forfeited or surrendered	(39,884)	1.22
Unvested shares at December 31, 2018	493,322	$ 1.90
Granted	70,755	1.06
Vested	(210,742)	1.59
Forfeited or surrendered	(37,973)	1.84
Unvested shares at December 31, 2019	315,362	$ 1.92

As of December 31, 2019, there was approximately $58,000 of total unrecognized compensation costs related to outstanding stock options, which is expected to be recognized over a weighted average period of 2.61 years.

As of December 31, 2019, there was approximately $230,000 of total unrecognized compensation costs related to restricted stock and restricted stock units, which is expected to be recognized over a weighted average period of 1.68 years.

Employee Stock Purchase Plan. The Company has an Employee Stock Purchase Plan (the "ESPP") that enables employees to contribute up to 10% of their base compensation toward the purchase of the Company's common stock at 85% of its market value on the first or last day of the year. During the years ended December 31, 2019 and 2018, respectively, participants purchased 32,471 and 107,341 shares under the ESPP. At December 31, 2019, 245,909 shares were reserved for future employee purchases of common stock under the ESPP. For the years ended December 31, 2019 and 2018, the Company recognized $55,000 and $58,000, respectively, of stock-based compensation expense related to the ESPP.

Share Repurchase Programs. On April 5, 2018, the Board authorized the repurchase of up to $3,000,000 of the Company's common stock on or before March 31, 2020. The plan allows the repurchases to be made in open market or privately negotiated transactions. The plan does not obligate the Company to repurchase any particular number of shares and may be suspended at any time at the Company's discretion. For the year ended December 31, 2019, the Company did not repurchase any shares.

Dividends. The Company has not historically paid dividends, other than one-time dividends declared in 2011 and 2016. Outside of these special dividends, the Board of Directors intends to retain earnings for use in the Company's business and does not anticipate paying cash dividends in the foreseeable future.

9. **Income Taxes**. Income tax expense (benefit) consists of the following:

Year Ended December 31	2019	2018
Current taxes - Federal	$ -	$ 177,000
Current taxes - State	38,000	48,000
Deferred taxes - Federal	(437,000)	227,000
Deferred taxes - State	(67,000)	32,000
Income tax expense (benefit)	$ (466,000)	$ 484,000

The actual tax expense (benefit) attributable to income (loss) before taxes differs from the expected tax expense (benefit) computed by applying the U.S. federal corporate income tax rate of 21% as follows:

Year Ended December 31	2019	2018
Federal statutory rate	21.0 %	21.0 %
Stock-based awards	(0.8)	0.6
State taxes	3.2	2.8
Other permanent differences	(0.1)	0.7
Impact of uncertain tax positions	(0.6)	1.7
Valuation allowance	(14.0)	(1.6)
Other	(0.2)	0.5
Effective federal income tax rate	8.5 %	25.7 %

Components of resulting noncurrent deferred tax assets (liabilities) are as follows:

As of December 31	2019	2018
Deferred tax assets		
Accrued expenses	$ 105,000	$ 129,000
Inventory reserve	5,000	3,000
Stock-based awards	88,000	78,000
Reserve for bad debts	16,000	5,000
Net operating loss and credit carryforwards	715,000	39,000
Other	26,000	23,000
Valuation allowance	(848,000)	(79,000)
Total deferred tax assets	$ 107,000	$ 198,000
Deferred tax liabilities		
Depreciation	$ (18,000)	$ (635,000)
Prepaid expenses	(89,000)	(67,000)
Total deferred tax liabilities	(107,000)	(702,000)
Net deferred income tax liabilities	$ -	$ (504,000)

As of December 31, 2019, the Company had a Federal net operating loss (NOL) to carry forward of approximately $2,764,000 and state NOLs of $2,076,000 to carry forward. The Federal NOLs can be carried forward indefinitely. The expiration of state NOLs carried forward varies by taxing jurisdiction. Future utilization of NOLs carried forward may be subject to certain limitations under Section 382 of the Internal Revenue Code.

The Company evaluates all significant available positive and negative evidence, including the existence of losses in prior years and its forecast of future taxable income, in assessing the need for a valuation allowance. The underlying assumptions the Company uses in forecasting future taxable income require significant judgment and take into consideration the Company's recent performance. The change in the valuation allowance for the years ended December 31, 2019 and 2018 was $769,000 and ($29,000), respectively.

The Company has recorded a liability of $643,000 and $613,000 for uncertain tax positions taken in tax returns in previous years as of December 31, 2019 and 2018, respectively. This liability is reflected as accrued income taxes on the Company's balance sheets. The Company files income tax returns in the United States and numerous state and local tax jurisdictions. Tax years 2016 and forward are open for examination and assessment by the Internal Revenue Service. With limited exceptions, tax years prior to 2016 are no longer open in major state and local tax jurisdictions. The Company does not anticipate that the total unrecognized tax benefits will change significantly prior to December 31, 2020.

A reconciliation of the beginning and ending amount of the liability for uncertain tax positions is as follows:

Balance at January 1, 2018	$	581,000
Increases due to interest and state tax		32,000
Balance at December 31, 2018		613,000
Increases due to interest and state tax		30,000
Balance at December 31, 2019	$	643,000

10. **Employee Benefit Plans**. The Company sponsors a Retirement Profit Sharing and Savings Plan under Section 401(k) of the Internal Revenue Code. The plan allows employees to defer up to 50% of their wages, subject to Federal limitations, on a pre-tax basis through contributions to the plan. During the years ended December 31, 2019 and 2018, the Company made matching contributions of $72,000 and $68,000, respectively.

11. **Concentrations.**

Major Customers. During the year ended December 31, 2019, two customers accounted for 13% and 12%, respectively of the Company's total net sales. At December 31, 2019, four customers represented 17%, 12%, 12% and 10%, respectively of the Company's total accounts receivable. During the year ended December 31, 2018, two customers accounted for 24% and 20%, respectively of the Company's total net sales. At December 31, 2018, two customers represented 31% and 16%, respectively of the Company's total accounts receivable.

Although there are a number of customers that the Company sells to, the loss of a major customer could adversely affect operating results. Additionally, the loss of a major retailer from the Company's retail network could adversely affect operating results.

Export Sales. Export sales accounted for less than 1% of total net sales during the years ended December 31, 2019 and 2018.

12. **Quarterly Financial Data**. (Unaudited)

Quarterly data for the years ended December 31, 2019 and 2018 was as follows:

Year Ended December 31, 2019	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Net sales	$ 5,140,000	$ 5,842,000	$ 4,654,000	$ 6,318,000
Gross profit	774,000	1,465,000	926,000	1,596,000
Net loss	(1,096,000)	(488,000)	(978,000)	(2,459,000)
Net loss per share:				
Basic	$ (0.09)	$ (0.04)	$ (0.08)	$ (0.21)
Diluted	$ (0.09)	$ (0.04)	$ (0.08)	$ (0.21)

Year Ended December 31, 2018	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Net sales	$ 7,419,000	$ 8,245,000	$ 9,455,000	$ 8,117,000
Gross profit	2,746,000	3,005,000	3,563,000	3,247,000
Net income	164,000	184,000	645,000	406,000
Net income per share:				
Basic	$ 0.01	$ 0.02	$ 0.05	$ 0.04
Diluted	$ 0.01	$ 0.02	$ 0.05	$ 0.04

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company’s management carried out an evaluation, under the supervision and with the participation of the Company’s Chief Executive Officer (principal executive officer) and the Company’s Chief Financial Officer (principal financial officer), of the effectiveness of the design and operation of the Company’s disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of December 31, 2019, pursuant to Exchange Act Rule 13a-15. Based upon that evaluation, management identified a material weakness in our internal control over financial reporting. As a result of this material weakness, management concluded that our disclosure controls and procedures were not effective.

Management’s Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate control over financial reporting, as such term is defined in Rule 13a-15(f) of the Exchange Act. Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2019. In conducting its evaluation, our management used the criteria set forth by the framework in the 2013 Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Long-lived Asset Impairment Testing. Based on management’s testing and evaluation, we determined that we did not design and maintain effective internal control over the impairment testing that we performed in accordance with ASC 360, *Property, Plant, and Equipment*, as of December 31, 2019. Specifically, the Company did not appropriately evaluate the indicators of impairment primarily related to its review of the impact of operating losses and negative cash flows attributable to the asset group which included the Company’s internally developed software as well as consideration of the decline in the Company's market capitalization during the fourth quarter of 2019 as an indicator of impairment.

Implemented or Planned Remedial Actions in Response to Material Weaknesses

To address the above, we are in the process of designing new review controls to assess the long-lived asset impairment analyses to ensure they are completed in a timely manner and in enough detail to operate at a sufficient level of precision to identify improper assumptions.

Inherent Limitations on Control Systems

Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, will be or have been detected. These inherent limitations include the realities that judgments in decision making can by faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

Changes in Internal Control Over Financial Reporting

Except as noted above, no changes in the Company’s internal control over financial reporting occurred during the Company’s most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

This Annual Report on Form 10-K does not include an attestation report of the Company’s registered public accounting firm regarding internal control over financial reporting. Management’s report was not subject to attestation by the Company’s registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit the Company to provide only management’s report in this Annual Report on Form 10-K.

Item 9B. Other Information

None.

PART III.

Item 10. Directors, Executive Officers and Corporate Governance

Incorporated into this Item by reference is the information appearing under the headings “Proposal One – Election of Directors,” “Corporate Governance and Board Matters,” “Submission of Shareholder Proposals and Nominations” and, if any, “Delinquent Section 16(a) Reports,” in our Proxy Statement for our 2020 Annual Meeting of Shareholders we intend to file with the SEC (the “Proxy Statement”).

Executive Officers of the Registrant

As of the date of filing this Form 10-K, the following individuals were executive officers of the Company:

Name	Age	Position
Kristine A. Glancy	42	President, Chief Executive Officer and Secretary
Jeffrey A. Jagerson	53	Vice President of Finance, Chief Financial Officer and Treasurer
Adam D. May	36	Chief Growth Officer

Kristine A. Glancy has been our President and Chief Executive Officer since May 2016, and a member of the Board of Directors since June 2017. Prior to joining the Company, Ms. Glancy served in various roles at The Kraft Heinz Company from 1999 to 2016, most recently as Customer Vice President from May 2013 to April 2016. She held the positions of Director of Sales from June 2012 to May 2013 and National Customer Manager from

November 2010 to June 2012. Her more than 19 years as a sales and marketing executive provide the necessary skills to the Board and Company in the areas of sales, product strategy, customer relations, business and brand development. Ms. Glancy holds a Bachelor of Arts degree in Marketing and International Business from Saint Mary's University and an MBA from Fordham University, New York City.

Jeffrey A. Jagerson has been our Vice President of Finance, Chief Financial Officer and Treasurer since July 2017. Prior to joining the Company, Mr. Jagerson served as Chief Financial Officer at Christensen Farms from March 2014 to March 2017. He previously served as Vice President of Finance and Accounting at Digital River from July 2009 to March 2014 and served as the Corporate Controller from February 2008 to July 2009. Mr. Jagerson also served in various executive and financial roles at ADC Telecommunications from May 1995 to February 2008 and Honeywell from June 1988 to May 1995. His more than 30 years as an Accounting and Finance professional and executive provides the necessary skills to the Board and Company in the areas public company financial reporting, tax, audit, and treasury management. Mr. Jagerson holds a Bachelor of Science degree in Accounting from Minnesota State University, Mankato and an MBA from the Carlson School of Business at the University of Minnesota.

Adam D. May, has been our Chief Growth Officer since January 2020. He served as Senior Vice President of Sales from July 2017 to December 2019. Mr. May has 10 years of CPG sales and business development experience at Mars, Incorporate and The Kraft Heinz Company. Most recently Mr. May served as Associate Director from September 2016 to July 2017. He held several Customer Business Lead roles from November 2012 to September 2016. Before joining The Kraft Heinz Company, Mr. May held several Sales positions at Mars Petcare from March 2008 to November 2012. His 10 plus years of experience provides necessary skills to the Company in the areas of Sales, Sales Strategy and Business Development. Mr. May holds a Bachelor of Science in Business Administration and Management from Indiana University.

There are no family relationships among any of the executive officers and directors of the Company.

Code of Ethics/Code of Conduct

We have in place a "code of ethics" within the meaning of Rule 406 of Regulation S-K, which is applicable to our senior financial management, including specifically our principal executive officer and principal financial officer. A copy of the Code of Ethics is available on our website (www.insigniasystems.com) under the "Investor Relations - Corporate Governance" caption. We intend to satisfy our disclosure obligations regarding any amendment to, or a waiver from, a provision of this code of ethics by posting such information on the same website.

Item 11. Executive Compensation

The information appearing under the headings "Executive Compensation" and "Corporate Governance and Board Matters – Compensation of Non-Employee Directors" in the Proxy Statement is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information appearing under the headings "Equity Compensation Plan Information" and "Security Ownership of Certain Beneficial Owners and Management" in the Proxy Statement is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions and Director Independence

The information appearing under the heading "Certain Relationships and Related-Party Transactions" and regarding director independence appearing under the heading "Corporate Governance and Board Matters" in the Proxy Statement is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

The information regarding principal accounting fees and services appearing under the heading "Proposal Three – Ratification of Appointment of Independent Registered Public Accounting Firm" in the Proxy Statement is incorporated herein by reference.

PART IV.

Item 15. Exhibits and Financial Statement Schedules

The following financial statements of Insignia Systems, Inc. are included in Item 8:

Report of Independent Registered Public Accounting Firm
Balance Sheets as of December 31, 2019 and 2018
Statements of Operations for the years ended December 31, 2019 and 2018
Statements of Shareholders' Equity for the years ended December 31, 2019 and 2018
Statements of Cash Flows for the years ended December 31, 2019 and 2018
Notes to Financial Statements

(a) Exhibits

Unless otherwise indicated, all documents incorporated into this Annual Report on Form 10-K by reference to a document filed with the SEC pursuant to the Exchange Act are located under SEC file number 1-13471.

Exhibit Number	Description	Incorporated by Reference To
3.1	Composite Articles of Incorporation of Registrant, as amended through July 31, 2008	Exhibit 3.1 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2015
3.2	Composite stated Bylaws of Registrant, as amended through December 5, 2015	Exhibit 3.2 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2015
+4.1	Description of Securities	Filed Electronically
*10.1	2003 Incentive Stock Option Plan, as amended	Exhibit 10.1 of the Registrant's Form 8-K filed December 2, 2016
*10.2	Form of Incentive Stock Option Agreement under 2003 Incentive Stock Option Plan	Exhibit 10.1 of the Registrant's Form 8-K filed January 16, 2013
*10.3	2013 Omnibus Stock and Incentive Plan, as amended	Exhibit 10.2 of the Registrant's Form 8-K filed December 2, 2016
*10.4	Form of Incentive Stock Option Agreement under 2013 Omnibus Stock and Incentive Plan	Exhibit 10.1 of the Registrant's Form 8-K filed August 23, 2013
*10.5	Form of Restricted Stock Unit Agreement for Employees under 2013 Omnibus Stock and Incentive Plan	Exhibit 10.1 of the Registrant's Form 8-K filed May 28, 2014
*10.6	Form of Restricted Stock Award Agreement for Employees under the 2013 Omnibus Stock and Incentive Plan	Exhibit 10.1 of the Registrant's Form 10-Q for the quarterly period ended September 30, 2017

Exhibit Number	Description	Incorporated by Reference To
*10.7	2018 Equity Incentive Plan	Exhibit 99.1 of the Registrant's Registration Statement on Form S-8, Reg. No. 333-226670
*10.8	Form of Non-Qualified Stock Option Agreement under 2018 Equity Incentive Plan	Exhibit 10.1 of the Registrant's Form 8-K filed August 14, 2018
*10.9	Form of Restricted Stock Unit Agreement under 2018 Equity Incentive Plan	Exhibit 10.2 of the Registrant's Form 8-K filed August 14, 2018
*10.10	Form of Restricted Stock Unit Agreement for Non-Employee Directors under the 2018 Equity Incentive Plan	Exhibit 10.1 of the Registrant's Form 10-Q for the quarterly period ended June 30, 2019
*10.11	Employee Stock Purchase Plan, as amended	Exhibit 99.2 of the Registrant's Registration Statement on Form S-8, Reg. No. 333-226670
*10.12	Deferred Compensation Plan for Directors	Exhibit 10.1 of the Registrant's Form 10-Q for the quarterly period ended March 31, 2018
*10.13	Employment Agreement with Kristine Glancy dated April 8, 2016	Exhibit 10.1 of the Registrant's Form 8-K filed April 13, 2016
*10.14	Change in Control Severance Agreement with Kristine Glancy dated April 8, 2016	Exhibit 10.2 of the Registrant's Form 8-K filed April 13, 2016
*10.15	First Amendment to Change in Control Agreement with Kristine A. Glancy dated April 28, 2018	Exhibit 10.1 of the Registrant's Form 10-Q for the quarterly period ended March 31, 2019
*10.16	Employment Agreement with Jeffrey Jagerson dated July 17, 2017	Exhibit 10.1 of the Registrant's Form 8-K filed June 30, 2017
*10.17	Change in Control Agreement with Jeffrey Jagerson dated July 17, 2017	Exhibit 10.2 of the Registrant's Form 8-K filed June 30, 2017
+*10.18	Employment Agreement with Adam May dated December 20, 2019	Filed Electronically
+*10.19	Change in Control Agreement with Adam May dated December 20, 2019	Filed Electronically
10.20	Industrial/Warehouse Lease Agreement between the Company and Opus Northwest L.L.C. dated March 27, 2008**	Exhibit 10.22 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2007
10.21	First Amendment to Industrial/Warehouse Lease Agreement with James Campbell Company LLC (as successor in interest to Opus Northwest L.L.C.) dated September 14, 2015	Exhibit 10.1 of the Registrant's Form 10-Q for the quarterly period ended September 30, 2015
^10.22	Exclusive Agreement for Sale and Implementation of Specified Signs with Price approved June 6, 2011	Exhibit 10.2 of the Registrant's Form 10-Q for the quarterly period ended June 30, 2011

Exhibit Number	Description	Incorporated by Reference To
^10.23	Settlement Agreement and Release with News America Marketing In-Store, LLC, dated February 9, 2011, including exhibits	Exhibit 10.1 of the Registrant's Form 10-Q/A for the quarterly period ended March 31, 2011
10.24	Cooperation Agreement with Nick Swenson, Air T, Inc. and Groveland Capital LLC, dated May 17, 2018	Exhibit 10.1 of the Registrant's Form 8-K filed May 18, 2018
+23.1	Consent of Independent Registered Public Accounting Firm	
+24.1	Powers of Attorney	
+31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes Oxley Act of 2002	
+31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes Oxley Act of 2002	
++32	Section 1350 Certifications	
+101.1	The following materials from Insignia Systems, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2019 are filed herewith, formatted in XBRL (Extensible Business Reporting Language): (i) Balance Sheets, (ii) Statements of Operations, (iii) Statements of Shareholders' Equity (iv) Statements of Cash Flows, and (v) Notes to Financial Statements.	

* Denotes a management contract or compensatory plan or arrangement required to be filed as an exhibit to this report pursuant to Item 15(b) of Form 10-K.
** Schedules and exhibits to the agreement have been omitted pursuant to Item 601(a)(5) of Regulation S-K. A copy of any omitted schedule or exhibit will be furnished to the SEC upon request.
\+ Filed herewith.
++ Furnished herewith.
^ Portions of this exhibit are treated as confidential pursuant to a request for confidential treatment filed by Insignia with the SEC.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Insignia Systems, Inc.

By: /s/ Kristine A. Glancy
Kristine A. Glancy
President and Chief Executive Officer

Dated: March 10, 2020

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Kristine A. Glancy Kristine A. Glancy	President, Chief Executive Officer, Secretary and Director (principal executive officer)	March 10, 2020
/s/ Jeffrey A. Jagerson Jeffrey A. Jagerson	Vice President of Finance, Chief Financial Officer and Treasurer (principal financial and accounting officer)	March 10, 2020
* Jacob J. Berning	Chairman of the Board, Director	March 10, 2020
* Chad B. Johnson	Director	March 10, 2020
* Loren A. Unterseher	Director	March 10, 2020
* Rachael B. Vegas	Director	March 10, 2020

* Kristine A. Glancy, by signing her name hereto, does hereby sign this document on behalf of each of the above-named directors of the registrant pursuant to Powers of Attorney duly executed by such persons.

By: /s/ Kristine A. Glancy
Kristine A. Glancy
Attorney-in-fact

Exhibit 4.1

DESCRIPTION OF SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

Insignia Systems, Inc., a Minnesota corporation (the "Corporation," "we," "us" and "our"), has one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended, namely its common stock, par value $.01 per share ("common stock").

The following description of the common stock is a summary and does not purport to be complete. It is subject to and qualified by reference to our Articles of Incorporation, as amended (the "Articles"), and Bylaws, as amended (the "Bylaws"). You are encouraged to read the Articles, Bylaws, and applicable law, including the Minnesota Business Corporation Act ("MBCA").

Authorized Shares

The Corporation's authorized capital stock consists solely of 40,000,000 shares of common stock.

Common Stock

No outstanding share of common stock is entitled to preference over any other share, and each share is equal to any other share in all respects. Holders of shares of common stock are entitled to one vote for each share held of record at each meeting of shareholders. Holders of shares of common stock are not entitled to any preemptive, subscription, conversion, redemption or sinking fund rights. The absence of preemptive rights could result in a dilution of the interest of shareholders should additional common shares be issued.

Holders of common stock are entitled to receive dividends in the form of cash, property or shares of capital stock of the Corporation, when and as declared by the Board, provided there are sufficient earnings or surplus legally available for that purpose. In any distribution of capital assets, such as liquidation, whether voluntary or involuntary, holders of shares of common stock are entitled to receive pro rata the assets remaining after creditors have been paid in full. All of the issued and outstanding shares of common stock are non-assessable.

Anti-Takeover Provisions

Statutory Provisions

Section 302A.671 of the MBCA applies, with certain exceptions, to any acquisitions of our voting stock from a person other than us, and other than in connection with certain mergers and exchanges to which we are a party and certain tender offers or exchange offers approved in advance by a disinterested board committee, resulting in the beneficial ownership of 20% or more of the voting power of our then-outstanding stock.

Section 302A.671 requires approval of the granting of voting rights for the shares received pursuant to any such acquisitions by a vote of our shareholders holding a majority of the voting power of our outstanding shares and a majority of the voting power of our outstanding shares that are not held by the acquiring person, our officers or those non-officer employees, if any, who are also our directors. Similar voting requirements are imposed for acquisitions resulting in beneficial ownership of 33⅓% or more or a majority of the voting power of our then-outstanding stock. In general, shares acquired without this approval are denied voting rights in excess of the 20%, 33⅓% or 50% thresholds and, to that extent, can be called for redemption at their then fair market value by us within 30 days after the acquiring person has failed to deliver a timely information statement to us or the date our shareholders voted not to grant voting rights to the acquiring person's shares. At a meeting held on July 20, 2018, our shareholders approved voting rights for shares held by Air T, Inc., Groveland Capital LLC, and Nicholas J. Swenson constituting up to an aggregate of 33⅓% of our outstanding shares.

Section 302A.673 of the MBCA generally prohibits any business combination by us, or any subsidiary of ours, with any shareholder that beneficially owns 10% or more of the voting power of our outstanding shares (an "interested shareholder") within four years following the time the interested shareholder crosses the 10% stock ownership threshold, unless the business combination is approved by a committee of disinterested members of our board of directors before the time the interested shareholder crosses the 10% stock-ownership threshold.

Section 302A.675 of the MBCA generally prohibits an offeror from acquiring our shares within two years following the offeror's last purchase of our shares pursuant to a takeover offer with respect to that class, unless our shareholders are able to sell their shares to the offeror upon substantially equivalent terms as those provided in the earlier takeover offer. This statute will not apply if the acquisition of shares is approved by a committee of disinterested members of our board of directors before the purchase of any shares by the offeror pursuant to the earlier takeover offer.

Nomination and Proposal Procedures

Our Bylaws establish advance-notice procedures with regard to the nomination by shareholders of candidates for election as directors. A shareholder of record must provide a written request of its candidate to our secretary not less than 60 nor more than 90 days before the first anniversary date of the preceding year's annual meeting of shareholders, which notice must include certain information and representations regarding the shareholder and the candidate and the consent of such candidate to serve as a director if elected.

Our Bylaws establish procedures, including advance-notice procedures, with regard to shareholder proposals to be considered at an annual meeting of shareholders. In general, a shareholder must submit a written notice of the proposal to our secretary not less than 60 nor more than 90 days before the first anniversary date of the preceding year's annual meeting of shareholders, which notice must include certain information and representations regarding the shareholder and the proposal.

Special Meetings of Shareholders; Shareholder Action by Written Consent

Section 302A.433 of the MBCA and our Bylaws provide that special meetings of the Company's shareholders may be called by the Company's Chairman of the Board, Chief Executive Officer, Chief Financial Officer, two or more directors, or shareholders holding 10% or more of the voting power of all shares entitled to vote, except that a special meeting called by shareholders for the purpose of considering any action to directly or indirectly facilitate or effect a business combination, including any action to change or otherwise affect the composition of our board of directors for that purpose, must be called by 25% or more of the voting power of all shares entitled to vote. Section 302A.441 of the MBCA also provides that action may be taken by shareholders without a meeting only by unanimous written consent.

Amendment of Bylaws

Our board of directors can adopt, amend or repeal our Bylaws, subject to limitations under the MBCA. Under the MBCA, our shareholders also have the power to change or repeal our Bylaws.

Exhibit 10.18

EMPLOYMENT AGREEMENT

THIS AGREEMENT (the "Agreement") is hereby entered into as of December 20, 2019 (the "Execution Date") and is effective as of December 20, 2019 (the "Effective Date"), by and between Insignia Systems, Inc. (the "Company") and Adam May ("Executive") (each hereinafter referred to as a "party" and collectively as the "parties").

In consideration of the respective agreements of the parties contained herein, it is agreed as follows:

1. Term. The initial term of Executive's employment under this Agreement shall be for the period commencing on the Effective Date and ending, subject to earlier termination as set forth in Section 6, on the third anniversary of the Effective Date (such term, as may be hereafter extended, the "Employment Term"); provided, however, that commencing with the third anniversary of the Effective Date and on each anniversary thereof (each an "Anniversary Date"), the Employment Term shall be automatically renewed for one (1) additional year beyond the term otherwise established, unless one party provides written notice to the other party, at least one-hundred and twenty (120) days in advance of an Anniversary Date, of its intent not to renew the Employment Term for an additional one year period.

2. Employment. During the Employment Term:

   (a) Executive shall (i) serve as the Chief Growth Officer of the Company, with such authority, power, duties and responsibilities as are commensurate with such position and as are customarily exercised by a person situated in a similar executive capacity at a similar company; and (ii) report directly to the Chief Executive Officer of the Company (the "CEO").

   (b) Executive shall devote his full-time business attention to the business and affairs of the Company and he shall perform his duties faithfully and efficiently subject to the directions of the CEO. Executive may manage personal and family investments and affairs, participate in industry organizations and deliver lectures at educational institutions, so long as such activities do not interfere with the performance of Executive's responsibilities hereunder. Executive shall be subject to and shall abide by each of the Company's personnel policies applicable to other senior executives.

3. Annual Compensation.

   (a) Base Salary. The Company agrees to pay or cause to be paid to Executive during the Employment Term a base salary at the annual rate of $220,000 or such increased amount as the Board may from time to time determine (hereinafter referred to as the "Base Salary."); provided however, that the Base Salary may be reduced by no more than fifteen percent (15%) in connection with an across the board salary reduction by the Company similarly effecting all senior executives of the Company. The Base Salary shall be payable in accordance with the Company's customary practices applicable to its executives. Such Base Salary shall be reviewed at least annually by the Board of Directors of the Company (the "Board") pursuant to the Company's normal performance review policies for senior executives.

   (b) Annual Incentive Compensation. For each fiscal year of the Company ending during the Employment Term, beginning with the 2020 fiscal year, Executive shall be eligible to receive a target annual cash incentive compensation of $126,000 as in effect on the final day of such fiscal year as approved by the Board in its sole discretion if the Company and Executive achieve certain performance targets as proposed by management and approved by the Board. Such annual incentive compensation ("Annual Incentive Compensation") shall be paid in no event later than the 15th day of the third month following the end of the taxable year (of the Company or Executive, whichever is later).

4. Other Benefits.

(a) Employee Benefits. During the Employment Term and any renewals, Executive shall be entitled to participate in all employee benefit plans, practices and programs maintained by the Company and made available to employees of the Company generally (other than plans in effect on the date hereof that are closed to new participants), to the extent Executive is eligible under the terms of such plans. Executive's participation in such plans, practices and programs shall be on the same basis and terms as are applicable to employees of the Company generally.

(b) Business Expenses. Upon submission of proper invoices in accordance with the Company's policies, Executive shall be entitled to receive prompt reimbursement of all reasonable out-of-pocket business, entertainment and travel expenses incurred by Executive in connection with the performance of Executive's duties hereunder and otherwise incurred in accordance with the Company's travel and entertainment policy in effect from time to time. Such reimbursement shall be made as soon as practicable and in no event later than the end of the calendar year following the calendar year in which the expenses were incurred.

(c) Paid Time Off (PTO). Executive shall receive paid time off in accordance with the Company's leave policies and procedures, along with eight (8) paid Holidays subject to the Company's Leave policies and procedures.

5. Recoupment. In the event of a restatement of the Company's financial results (other than a prophylactic or voluntary restatement due to a change in applicable accounting rules or interpretations) due to material noncompliance with financial reporting requirements, with respect to any compensation granted (whether already paid or only calculated as payable and yet to be paid) to Executive if the Board determines in good faith that such compensation was awarded (or in the case of unpaid compensation, determined for award) based on such material noncompliance then the Board or a committee thereof comprised of independent (as defined under the rules of the NASDAQ Stock Market) Board members shall be entitled on behalf of the Company to recover all of the Executive's compensation (or in the case of unpaid compensation, to reduce such compensation) based on the erroneous financial data in excess of what would have been paid (or in the case of unpaid compensation, what should be paid) to the Executive under the accounting restatement. Such recovery period shall comprise up to the three (3) completed fiscal years preceding the date on which the Company is required to prepare the accounting restatement.

In determining whether to seek recovery of compensation, the Board or applicable committee thereof may take into account any considerations it deems appropriate, including whether the assertion of a claim may violate applicable law or adversely impact the interests of the Company in any related proceeding or investigation and the extent to which the Executive was responsible for the error that resulted in the restatement. This Section 5 shall be deemed amended to the extent reasonably necessary to conform to any applicable law or to any Company recoupment policy adopted by the Board for its senior executives.

6. Termination. The Employment Term and Executive's employment hereunder may be terminated under the circumstances set forth below; provided, however, that notwithstanding anything contained herein to the contrary, Executive shall not have any duties or responsibilities to the Company after Executive's termination of employment during the Employment Term or upon expiration of the Employment Term that would preclude Executive from having a "separation from service" from the Company within the meaning of Section 409A of the Internal Revenue Code (the "'Code"), upon expiration of the Employment Term.

(a) Disability. The Company may terminate the Employment Term and Executive's employment hereunder, on written notice to Executive after having reasonably established Executive's Disability. For purposes of this Agreement, Executive will be deemed to have a "Disability" if, as a result of the Executive's incapacity due to physical or mental illness, the Executive shall have been absent from the full-time performance of the Executive's duties with the Company for a period of three (3) consecutive months, the Company shall have given the Executive a Notice of Termination for Disability, and, within thirty (30) days after such Notice of Termination is given, the Executive shall not have returned to the full-time performance of the Executive's duties. Executive shall be entitled to the compensation and benefits provided for under this Agreement for any period prior to Executive' s termination by reason of Disability during which Executive is unable to work due to a physical or mental infirmity in accordance with the Company's policies for similarly-situated executives.

(b) Death. The Employment Term and Executive's employment hereunder shall be terminated as of the date of Executive's death.

(c) Cause. The Company may terminate the Employment Term and Executive's employment hereunder for "Cause" by providing a Notice of Termination (as defined in Section 7 below) that notifies Executive of his termination for Cause, effective as of the date of such notice. "Cause" shall mean, for purposes of this Agreement: (a) the deliberate and continued failure to substantially perform Executive's duties and responsibilities under this Agreement; (b) the criminal felony conviction of, or a plea of guilty or nolo contendere by, Executive; (c) the material violation of Company policy; (d) the act of fraud or dishonesty resulting or intended to result in personal enrichment at the expense of the Company; (e) the gross misconduct in performance of duties that results in material economic harm to the Company; or (f) the material breach of this Agreement by Executive. Notwithstanding the foregoing, in order to establish "Cause" for Executive's termination for purposes of clauses (a), (c) and (f) above, the Company must deliver a written demand to Executive which specifically identifies the conduct that may provide grounds for Cause, and the Executive must have failed to cure such conduct within thirty (30) days after such demand. Reference in this paragraph to the Company shall also include direct and indirect subsidiaries of the Company.

(d) Without Cause. The Company may terminate the Employment Term and Executive's employment hereunder other than for Cause, Disability or death. The Company shall deliver to Executive a Notice of Termination (as defined in Section 7 below) prior to such termination other than for Cause, Disability or death, which notice shall specify the termination date.

(e) Good Reason. Executive may terminate the Employment Term and his employment hereunder with the Company for Good Reason (as defined below) by delivering to the Company a Notice of Termination not less than thirty (30) days prior to such termination for Good Reason. The Company shall have the option of terminating Executive's duties and responsibilities prior to the expiration of such thirty-day notice period. For purposes of this Agreement, "Good Reason" means any of the following: (a) a material and adverse change in Executive's duties, title or position, provided, however, that a change in the Company's status as a publicly held corporation filing reports with the Securities and Exchange Commission shall not be deemed to constitute Good Reason hereunder; (b) a reduction of fifteen percent (15%) or more by the Company in the Executive's Base Salary except for across-the-board salary reductions similarly affecting all senior executive officers of the Company; or (c) a material breach by the Company of its obligations under this Agreement. Good Reason shall not exist unless Executive shall provide notice of the existence of the Good Reason condition within ninety (90) days of the date Executive learns of the condition. The Company shall have a period of thirty (30) days during which it may remedy the condition, and in case of full remedy such condition shall not be deemed to constitute Good Reason hereunder.

(f) Without Good Reason. Executive may voluntarily terminate the Employment Term and Executive's employment hereunder without Good Reason by delivering to the Company a Notice of Termination not less than thirty (30) days prior to such termination and the Company shall have the option of terminating Executive's duties and responsibilities, but not the employment relationship, prior to the expiration of such thirty-day notice period.

7. Notice of Termination. Any purported termination by the Company or by Executive shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a notice that indicates a termination date, the specific termination provision in this Agreement relied upon and sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated. For purposes of this Agreement, no such purported termination of Executive's employment hereunder shall be effective without such Notice of Termination (unless waived by the party entitled to receive such notice, in the manner described in Section 16(f).

8. Compensation upon Termination. Upon termination of Executive's employment during the Employment Term, Executive shall be entitled to the following benefits:

(a) Termination by the Company for Cause or by Executive without Good Reason. If Executive's employment is terminated by the Company for Cause or by Executive without Good Reason, the Company shall provide Executive with the following payments and benefits (collectively, the "Accrued Compensation"):

(i) any accrued and unpaid Base Salary;

(ii) any Annual Incentive Compensation earned but unpaid in respect of any completed fiscal year preceding the termination date;

(iii) reimbursement for any and all monies advanced or expenses incurred in connection with Executive's employment for reasonable and necessary expenses incurred by Executive on behalf of the Company for the period ending on the termination date;

(iv) any previous compensation that Executive has previously deferred (including any interest earned or credited thereon), in accordance with the terms and conditions of the applicable deferred compensation plans or arrangements then in effect, to the extent vested as of Executive's termination date; and

(v) any amount or benefit as provided under any plan, program, agreement or corporate governance document of the Company or its affiliates that are then-applicable (the "Company Arrangements"), in accordance with the terms thereof.

(b) Termination by the Company for Disability. If Executive's employment is terminated by the Company for Disability, Executive shall be entitled to the Accrued Compensation.

(c) Termination by Reason of Death. If Executive's employment is terminated by reason of Executive's death, Executive shall be entitled to the Accrued Compensation.

(d) Termination by the Company Other Than for Cause. Disability or Death, or by Executive with Good Reason. If Executive's employment with the Company shall be terminated (x) by the Company other than for Cause, Disability or death, or (y) by Executive with Good Reason, Executive shall be entitled to the following payments and benefits; provided that, in the case of clauses (ii), (iii) and (iv) below, Executive shall have executed and not revoked a release of claims in substantially the form set forth in Exhibit A hereto:

(i) the Accrued Compensation;

(ii) an amount equal to the product of (A) the Annual Incentive Compensation that Executive would have been entitled to receive in respect of the fiscal year in which Executive' s termination date occurs, had Executive continued in employment until the end of such fiscal year, which amount shall be determined based on the Company's actual performance for such year relative to the Company performance goals applicable to Executive without any exercise of negative discretion with respect to Executive in excess of that applied either to senior executives of the Company generally for the applicable performance period or in accordance with the Company's historical past practice), and (B) a fraction (x) the numerator of which is the number of days in such fiscal year through the termination date and (y) the denominator of which is 365; such amount shall be payable in a cash lump sum payment at the time such incentive awards are payable to other participants (but no later than the fifteenth day of the third month of the following fiscal year of the Company);

(iii) in lieu of any further Base Salary or other compensation or benefits not described in clauses (i), (ii), or (iv) for periods subsequent to the termination date, an amount in cash equal to fifty percent (50%) of Executive's annual Base Salary as in effect at the time of Termination which amount shall be payable in a single lump sum payment no later than 60 days following the termination date; and

(iv) the Company shall provide Executive and Executive's dependents with continued coverage under any health, medical, dental, vision or life insurance program or policy in which Executive was eligible to participate as of the time of Executive's employment termination, for three (3) months following such termination on terms no less favorable to Executive and Executive's dependents (including with respect to payment for the costs thereof) than those in effect immediately prior to such termination, which coverage shall cease, on a benefit-by-benefit basis, once any coverage is made available to Executive by a subsequent employer. COBRA continuation coverage shall run concurrently with such four-month period. Following the four-month continuation period, Executive will be eligible to receive COBRA benefits for any remaining portion of the applicable COBRA period at normal COBRA rates. Anything herein to the contrary notwithstanding, the terms of this Section 8(d)(iv) shall be modified to the extent required to meet the provisions of any federal law applicable to the healthcare plans and arrangements of the Company, including to the extent required to maintain the grandfathered status of such plans or arrangements under federal law. Any failure to provide the coverage specified herein shall not in and of itself constitute a breach of this Agreement, provided, however, that the Company shall use its reasonable efforts to provide economically equivalent payments or benefits to Executive to the extent possible without adverse effects on the Company, to the extent permitted by law.

(e) Expiration of Employment Term After Notice of Non-Renewal by the Company. If the Executive's employment terminates at the end of the Employment Term because the Company has delivered a notice of non-renewal (as described in Section l), Executive shall be entitled to the following payments and benefits:

(i) the Accrued Compensation; and

(ii) COBRA benefits for the applicable COBRA period at normal COBRA rates.

(f) No Mitigation. Executive shall not be required to mitigate the amount of any payment provided for under this Agreement by seeking other employment or otherwise and, except as provided in Section 8(d)(iv) above, no such payment shall be offset or reduced by the amount of any compensation or benefits provided to Executive in any subsequent employment.

9. Section 409A. Notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, (i) no amounts shall be paid to Executive under Section 8 of this Agreement until Executive would be considered to have incurred a separation from service from the Company within the meaning of Section 409A of the Code, and (ii) amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Agreement during the six-month period immediately following Executive's separation from service shall instead be paid on the first business day after the date that is six months following Executive's separation from service (or death, if earlier). Each amount to be paid or benefit to be provided to Executive pursuant to this Agreement, which constitutes deferred compensation subject to

Section 409A, shall be construed as a separate identified payment for purposes of Section 409A. To the extent required to avoid an accelerated or additional tax under Section 409A, amounts reimbursable to Executive under this Agreement shall be paid to Executive on or before the last day of the year following the year in which the expense was incurred and the amount of expenses eligible for reimbursement (and in-kind benefits provided to Executive) during any one year may not effect amounts reimbursable or provided in any subsequent year; provided, however, that with respect to any reimbursements for any taxes which Executive would become entitled to under the terms of this Agreement, the payment of such reimbursements shall be made by the Company no later than the end of the calendar year following the calendar year in which Executive remits the related taxes.

10. Records and Confidential Data.

(a) Executive acknowledges that in connection with the performance of Executive's duties during the Employment Term, the Company will make available to Executive, or Executive will develop and have access to, certain Confidential Information (as defined below) of the Company and its subsidiaries. Executive acknowledges and agrees that any and all Confidential Information learned or obtained by Executive during the course of Executive's employment by the Company or otherwise, whether developed by Executive alone or in conjunction with others or otherwise, shall be and is the property of the Company and its subsidiaries.

(b) Executive shall keep confidential all Confidential Information, shall not use Confidential Information in any manner that is detrimental to the Company, shall not use Confidential Information other than in connection with Executive's discharge of Executive's duties hereunder, and shall safeguard the Confidential Information from unauthorized disclosure; provided, however, that Confidential Information may be disclosed by Executive (i) to the Company and its affiliates, or to any authorized agent or representative of any of them, (ii) in connection with performing his duties hereunder, (iii) subject to Section 11(c), when required to do so by law or by a court, governmental agency, legislative body, arbitrator or other person with apparent jurisdiction to order him to divulge, disclose or make accessible such information, provided that Executive notify the Company prior to such disclosure, (iv) in the course of any proceeding under Sections 12 or 13 of this Agreement or (v) in confidence to an attorney or other professional advisor for the purpose of securing professional advice, so long as such attorney or advisor is subject to confidentiality restrictions no less restrictive than those applicable to Executive hereunder.

(c) As soon as possible following the termination of Executive's employment hereunder, Executive shall return to the Company all written Confidential Information that is in his possession or control and destroy all of his copies of any analyses, compilations, studies or other documents containing or reflecting any Confidential Information. Within five (5) business days of the receipt of such request by Executive, Executive shall, upon written request of the Company, deliver to the Company a document certifying that such written Confidential Information has been returned or destroyed in accordance with this Section 10(c).

(d) For the purposes of this Agreement, "Confidential Information" shall mean all confidential and proprietary information of the Company and its subsidiaries, including, without limitation,

(i) trade secrets concerning the business and affairs of the Company and its subsidiaries, product specifications, data, know-how, formulae, compositions, processes, non-public patent applications, designs, sketches, photographs, graphs, drawings, samples, inventions and ideas, past, current, and planned research and development, current and planned manufacturing or distribution methods and processes, customer lists, current and anticipated customer requirements, price lists, market studies, business plans, computer software and programs (including object code and source code), computer software and database technologies, systems, structures, and architectures (and related formulae, compositions, processes, improvements, devices, know-how, inventions, discoveries, concepts, ideas, designs, methods and information);

(ii) information concerning the business and affairs of the Company and its subsidiaries (which includes unpublished financial statements, financial projections and budgets, unpublished and projected sales, capital spending budgets and plans, the names and backgrounds of key personnel, to the extent not publicly known, personnel training and techniques and materials) however documented; and

(iii) notes, analysis, compilations, studies, summaries, and other material prepared by or for the Company or its subsidiaries containing or based, in whole or in part, on any information included in the foregoing. For purposes of this Agreement, the Confidential Information shall not include and Executive's obligations shall not extend to (i) information that is generally available to the public, (ii) information obtained by Executive other than pursuant to or in connection with his employment and (iii) information that is required to be disclosed by law or legal process.

11. Covenant Not to Solicit, Not to Compete, Not to Disparage and to Cooperate in Litigation.

(a) Covenant Not to Solicit. To protect the Confidential Information and other trade secrets of the Company as well as the goodwill and competitive business of the Company, Executive agrees, during the Employment Term and for a period of twelve (12) months after Executive's cessation of employment with the Company, (i) not to solicit or participate in or assist in any way in the solicitation of any employees of the Company and (ii) not to solicit, influence or attempt to influence any person who was a customer of the Company or its affiliates during the period of Executive's employment hereunder or solicit, influence or attempt to influence potential customers who are or were identified through leads developed during the course of employment with the Company, or otherwise divert or attempt to divert any existing business of the Company and its affiliates. For purposes of clause (i) of this covenant, "solicit" or "solicitation" means directly or indirectly influencing or attempting to influence employees of the Company to cease employment with the Company (except in the course of Executive's duties to the Company) or to become employed with any other person, partnership, firm, corporation or other entity, provided, that solicitation through general advertising not targeted at the Company's employees or the provision of references shall not constitute a breach of such obligations. Executive agrees that the covenants contained in this Section 11(a) are reasonable and desirable to protect the Confidential Information of the Company.

(b) Covenant Not to Compete.

(i) To protect the Confidential Information and other trade secrets of the Company as well as the goodwill and competitive business of the Company, Executive agrees, during the Employment Term and for a period of twelve (12) months after Executive's cessation of employment with the Company, that Executive will not, except in the course of Executive's employment hereunder, directly or indirectly for the Executive or any third party, manage, operate, control, or participate in the management, operation, or control of, be employed by, associated with, or in any manner connected with, lend Executive's name to, or render services or advice to, any third party, or any business, whose services or products compete (including as described below) with the material services or products of the Company; provided, however, that Executive may in any event (x) own up to a 5% passive ownership interest in any public or private entity, and (y) be employed by, or otherwise have material association with, any business whose services or products compete with the material services or products of the Company so long as his employment or association is solely with a separately managed and operated division or affiliate of such business that does not compete with the Company.

(ii) For purposes of this Section 11(b), any third party, or any business, whose products compete includes any entity engaged in any business or activity which is directly in competition with any services or products sold by, or any business or activity engaged in by, the Company or any of its affiliates, or any entity with which the Company has a product(s) licensing agreement at the end of the Employment Term and any entity with which the Company is, at the time of termination, negotiating, and eventually concludes within twelve (12) months of the Employment Term, a product licensing or acquisition agreement.

(c) Cooperation in Any Investigations and Litigation. Executive agrees that Executive will reasonably cooperate with the Company, and its counsel, in connection with any investigation, inquiry, administrative proceeding or litigation relating to any matter in which Executive becomes involved or of which Executive has knowledge as a result of Executive's service with the Company by providing truthful information. The Company agrees to promptly reimburse Executive for reasonable expenses (including attorney's fees and other expenses of counsel) reasonably incurred by Executive, in connection with Executive's cooperation pursuant to this Section 11(c). Such reimbursements shall be made as soon as practicable, and in no event later than the calendar year following the year in which the expenses are incurred. Executive agrees that, in the event Executive is subpoenaed by any person or entity (including, but not limited to, any government agency) to give testimony (in a deposition, court proceeding or otherwise) which in any way relates to Executive's employment by the Company, Executive will, to the extent not legally prohibited from doing so, give prompt notice of such request to the CEO of the Company so that the Company may contest the right of the requesting person or entity to such disclosure before making such disclosure. Nothing in this provision shall require Executive to violate Executive's obligation to comply with valid legal process.

(d) Nondisparagement. Executive covenants that during and following the Employment Term, Executive will not willfully and materially disparage or encourage or induce others to disparage the Company or its subsidiaries, together with all of their respective past and present directors, managers, officers, shareholders, partners, employees, agents, attorneys, servants and customers and each of their predecessors, successors and assigns; provided that such limitation shall extend to past and present managers, officers, shareholders, partners, employees, agents, attorneys, servants and customers only in their capacities as such or in respect of their relationship with the Company and its subsidiaries. Nothing in this Agreement is intended to or shall prevent Executive from providing, or limiting testimony in response to a valid subpoena, court order, regulatory request or other judicial, administrative or legal process or otherwise as required by law.

(e) Blue Pencil. It is the intent and desire of Executive and the Company that the provisions of this Section 11 be enforced to the fullest extent permissible under the laws and public policies as applied in each jurisdiction in which enforcement is sought. If any particular provision of this Section 11 shall be determined to be invalid or unenforceable, such covenant shall be amended, without any action on the part of either party hereto, to delete there from the portion so determined to be invalid or unenforceable, such deletion to apply only with respect to the operation of such covenant in the particular jurisdiction in which such adjudication is made.

(f) Survival. Executive's obligations under this Section 11 shall survive the termination of the Employment Term.

12. Remedies for Breach of Obligations under Sections 10 or 11 hereof. Executive acknowledges that the Company will suffer irreparable injury, not readily susceptible of valuation in monetary damages, if Executive breaches Executive's obligations under Sections 10 or 11 hereof. Accordingly, Executive agrees that the Company will be entitled, in addition to any other available remedies, to obtain injunctive relief against any breach or prospective breach by Executive of Executive's obligations under Sections 10 or 11 hereof in any Federal or state court sitting in the State of Minnesota, or, at the Company's election, in any other state in which Executive maintains Executive's principal residence or Executive's principal place of business. Executive hereby submits to the non-exclusive jurisdiction of all those courts for the purposes of any actions or proceedings instituted by the Company to obtain that injunctive relief, and Executive agrees that process in any or all of those actions or proceedings may be served by

registered mail, addressed to the last address provided by Executive to the Company, or in any other manner authorized by law.

13. Resolution of Disputes. Any claim or dispute arising out of or relating to this Agreement, including, without limitation, Sections 6 and 7 hereof, any other Company Arrangement, Executive's employment with the Company, or any termination thereof (collectively, "Covered Claims") shall (except to the extent otherwise provided in Section 12 with respect to certain requests for injunctive relief) be resolved (x) if mutually agreed by the Company and Executive, by confidential mediation with the assistance of an independent mediator selected by mutual agreement of the parties, or (y) if such mediation is not successful or if such mediation is not mutually agreed by the Company or Executive, by litigation to occur in the District Court of the Second Judicial District, County of Ramsey, State of the Minnesota or the United States District Court for the District of Minnesota. Each party shall bear its (or his) own costs, including, without limitation, the fees and expenses of its (or his) own attorney, and the fees and expenses of the arbitrator shall be borne equally by each party.

14. Representations and Warranties.

(a) The Company represents and warrants that (i) it is fully authorized by action of the Board of Directors of the Company (and of any other person or body whose action is required) to enter into this Agreement and to perform its obligations under it, (ii) the execution, delivery and performance of this Agreement by it does not violate any applicable law, regulation, order, judgment or decree or any agreement, arrangement, plan or corporate governance document (x) to which it is a party or (y) by which it is bound, and (iii) upon the execution and delivery of this Agreement by the parties, this Agreement shall be its valid and binding obligation, enforceable against it in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

(b) Executive represents and warrants to the Company that Executive is not a party to or otherwise bound by any agreement or arrangement (including, without limitation, any license, covenant, or commitment of any nature), or subject to any judgment, decree, or order of any court or administrative agency, that would conflict with or will be in conflict with or in any way preclude, limit or inhibit Executive' s ability to execute this Agreement or to carry out Executive' s duties and responsibilities hereunder.

15. Miscellaneous.

(a) Successors and Assigns.

(i) This Agreement shall be binding upon and shall inure to the benefit of the Company, its successors and permitted assigns and the Company shall require any successor or assign to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession or assignment had taken place. The Company may not assign or delegate any rights or obligations hereunder except to a successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company. The term the "Company" as used herein shall include a corporation or other entity acquiring all or substantially all the assets and business of the Company (including this Agreement) whether by operation of law or otherwise.

(ii) Neither this Agreement nor any right or interest hereunder shall be assignable or transferable by Executive, Executive's beneficiaries or legal representatives, except by will or by the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by Executive's legal personal representatives.

(b) Indemnification. The Company shall indemnify Executive as provided in Company's by-laws and Articles of Incorporation.

(c) Right to Counsel. Executive acknowledges that Executive has had the opportunity to consult with legal counsel of Executive's choice in connection with the drafting, negotiation and execution of this Agreement and related employment arrangements.

(d) Notice. For the purposes of this Agreement, notices and all other communications provided for in the Agreement (including the Notice of Termination) shall be in writing and shall be deemed to have been duly given when personally delivered or sent by certified mail, return receipt requested, postage prepaid, addressed to the respective addresses last given by each party to the other, provided that all notices to the Company shall be directed to the attention of the CEO of the Company. All notices and communications shall be deemed to have been received on the date of delivery thereof or on the third business day after the mailing thereof, except that notice of change of address shall be effective only upon receipt.

(e) Withholding. The Company shall be entitled to withhold the amount, if any, of all taxes of any applicable jurisdiction required to be withheld by an employer with respect to any amount paid to Executive hereunder. The Company, in its sole and absolute discretion, shall make all determinations as to whether it is obligated to withhold any taxes hereunder and the amount hereof.

(f) Modification. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by Executive and the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition

or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreement or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which is not expressly set forth in this Agreement.

(g) Effect of Other Law. Anything herein to the contrary notwithstanding, the terms of this Agreement shall be modified to the extent required to meet the provisions of any federal law applicable to the employment arrangements between Executive and the Company, Any delay in providing benefits or payments, any failure to provide a benefit or payment, or any repayment of compensation that is required under the preceding sentence shall not in and of itself constitute a breach of this Agreement, provided, however, that the Company shall provide economically equivalent payments or benefits to Executive to the extent permitted by law.

(h) Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Minnesota applicable to contracts executed in and to be performed entirely within such State, without giving effect to the conflict of law principles thereof.

(i) Inconsistencies. In the event of any inconsistency between any provision of this Agreement and any provision of any employee handbook, personnel manual, program, policy, or arrangement of the Company or its affiliates (including, without limitation, any provisions relating to notice requirements and post-employment restrictions), the provisions of this Agreement and the Exhibits hereto, shall control, unless the parties otherwise agree in a writing that expressly refers to the provision of this Agreement whose control he or it is waiving.

(j) Beneficiaries/References. In the event of Executive's death or a judicial determination of his incompetence, references in this Agreement to Executive shall be deemed, where appropriate, to refer to his beneficiary, estate or other legal representative.

(k) Survivorship. Except as otherwise set forth in this Agreement, the respective rights and obligations of the parties hereunder shall survive the Employment Term and any termination of the Executive's employment.

(1) Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof.

(m) Entire Agreement. Upon the Execution Date, this Agreement constitutes the entire agreement between the parties hereto and supersedes all prior agreements, if any, understandings and arrangements, oral or written, between the parties hereto with respect to the subject matter hereof; provided, however, that this Agreement shall not supersede the Change in Control Severance Agreement between the Company and the Executive entered into as of December 20, 2019 (the "Change in Control Agreement"). Notwithstanding anything to the contrary contained herein, no payments shall be made (nor benefits provided) under Section 8 of this Agreement in the event that the Executive is entitled to payments or benefits under the Change in Control Agreement.

(n) Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer and Executive has executed this Agreement as of the day and year first above written.

INSIGNIA SYSTEMS, INC.
By: /s/ Kristine Glancy
Name: Kristine Glancy
Title: President and CEO

ADAM MAY

By: /s/ Adam May

EXHIBIT A

FORM OF RELEASE AGREEMENT

THIS RELEASE AGREEMENT (the "Release") is made as of this ___day of ___________, 20__, by and between Adam May ("Executive") and Insignia Systems, Inc., a Minnesota corporation (the "Company").

1. FOR AND IN CONSIDERATION of the payments and benefits provided in the Employment Agreement between Executive and the Company dated as of December 20, 2019, (as such agreement may be amended, restated or replaced, the "Employment Agreement"), Executive, for himself, his successors and assigns, executors and administrators, now and forever hereby releases and discharges the Company, together with all of its past and present parents, subsidiaries, and affiliates, together with each of their officers, directors, stockholders, partners, employees, agents, representatives and attorneys, and each of their subsidiaries, affiliates, estates, predecessors, successors, and assigns (hereinafter collectively referred to as the "Releases") from any and all rights, claims, charges, actions, causes of action, complaints, sums of money, suits, debts, covenants, contracts, agreements, promises, obligations, damages, demands or liabilities of every kind whatsoever, in law or in equity, whether known or unknown, suspected or unsuspected, which Executive or Executive's executors, administrators, successors or assigns ever had, now has or may hereafter claim to have by reason of any matter, cause or thing whatsoever; arising from the beginning of time up to the date of the Release: (i) relating in any way to Executive's employment relationship with the Company or any of the Releases, or the termination of Executive's employment relationship with the Company or any of the Releases; (ii) arising under or relating to the Employment Agreement; (iii) arising under any federal, local or state statute or regulation, including, without limitation, the Age Discrimination in Employment Act of 1967, as amended by the Older Workers Benefit Protection Act, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, the Employee Retirement Income Security Act of 1974, and/or the applicable state law against discrimination, each as amended; (iv) relating to wrongful employment termination or breach of contract; or (v) arising under or relating to any policy, agreement, understanding or promise, written or oral, formal or informal, between the Company and any of the Releases and Executive; provided, however, that notwithstanding the foregoing, nothing contained in the Release shall in any way diminish or impair: (i) any direct or indirect holdings of equity in the Company; (ii) any claims for accrued and vested benefits under any of the Company's employee retirement and welfare benefit plans; and (iii) any rights or claims Executive may have that cannot be waived under applicable law; (collectively, the "Excluded Claims"). Executive further acknowledges and agrees that, except with respect to Excluded Claims, the Company and the Releases have fully satisfied any and all obligations whatsoever owed to Executive arising out of Executive's employment with the Company or any of the Releases, and that no further payments or benefits are owed to Executive by the Company or any of the Releases.

2. Executive understands and agrees that, except for the Excluded Claims, Executive has knowingly relinquished, waived and forever released any and all rights to any personal recovery in any action or proceeding that may be commenced on Executive ' s behalf arising out of the aforesaid employment relationship or the termination thereof, including, without limitation, claims for back pay, front pay, liquidated damages, compensatory damages, general damages, special damages, punitive damages, exemplary damages, costs, expenses and attorneys' fees.

3. Executive acknowledges and agrees that Executive has been advised to consult with an attorney of Executive's choosing prior to signing the Release. Executive understands and agrees that Executive has the right and has been given the opportunity to review the Release with an attorney of Executive's choice should Executive so desire. Executive also agrees that Executive has entered into the Release freely and voluntarily. Executive further acknowledges and agrees that Executive has had at least twenty-one (21) calendar days to consider the Release, although Executive may sign it sooner if Executive wishes. In addition, once Executive has signed the Release, Executive shall have fifteen (15) additional days from the date of execution to revoke Executive's consent and may do so by writing to: Insignia Systems, Inc., 8799 Brooklyn Blvd., Minneapolis, MN 55445, Attention: Kelly Hagglund. The Release shall not be effective, and no payments shall be due under Section 8(d)(ii), (iii) and (iv) of the Employment Agreement, until the sixteenth (16th) day after Executive shall have executed the Release and returned it to the Company, assuming that Executive had not revoked Executive's consent to the Release prior to such date.

4. It is understood and agreed by Executive that the payment made to Executive is not to be construed as an admission of any liability whatsoever on the part of the Company or any of the other Releases, by whom liability is expressly denied.

5. The Release is executed by Executive voluntarily and is not based upon any representations or statements of any kind made by the Company or any of the other Releases as to the merits, legal liabilities or value of Executive's claims. Executive further acknowledges that Executive has had a full and reasonable opportunity to consider the Release and that Executive has not been pressured or in any way coerced into executing the Release.

6. The exclusive venue for any disputes arising hereunder shall be the state or federal courts located in the State of Minnesota, and each of the parties hereto irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum. Each of the parties hereto also agrees that any final and unappealable judgment against a party hereto in connection with any action, suit or other proceeding may be enforced in any court of competent jurisdiction, either within or outside of the United States. A certified or exemplified copy of such award or judgment shall be conclusive evidence of the fact and amount of such award or judgment.

7. The Release and the rights and obligations of the parties hereto shall be governed and construed in accordance with the laws of the State of Minnesota. If any provision hereof is unenforceable or is held to be unenforceable, such provision shall be fully severable, and this document and its terms shall be construed and enforced as if such unenforceable provision had never comprised a part hereof, the remaining provisions hereof shall remain

in full force and effect, and the court construing the provisions shall add as a part hereof a provision as similar in terms and effect to such unenforceable provision as may be enforceable, in lieu of the unenforceable provision.

8. The Release shall inure to the benefit of and be binding upon the Company and its successors and assigns.

IN WITNESS WHEREOF, Executive and the Company have executed the Release as of the date and year first written above.

INSIGNIA SYSTEMS, INC.

By: ____________________
Name:
Title:

ADAM MAY

By: ____________________

Exhibit 10.19

CHANGE IN CONTROL AGREEMENT

THIS AGREEMENT, is hereby entered into on December 20, 2019 and is effective as of December 20, 2019 (the "Effective Date"), by and between Insignia Systems, Inc., a Minnesota corporation (the "Company"), and Adam May (the "Executive").

WHEREAS, the Board of Directors of the Company (the "Board") recognizes that, as is the case with many business organizations, the possibility of a Change in Control exists and that such possibility, and the uncertainty and questions which it may raise among management, may result in the departure or distraction of management personnel to the detriment of the Company; and

WHEREAS, the Board has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the Company's management, including the Executive, to their assigned duties without distraction in the face of potentially disturbing circumstances arising from the possibility of a Change in Control.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the Company and Executive hereby agree as follows:

1. Defined Terms. The definitions of capitalized terms used in this Agreement are provided in the last Section hereof.

2. Term of Agreement. This Agreement shall commence on the Effective Date and shall continue in effect for a period of three (3) years thereafter. Commencing on the third anniversary of the Effective Date and on each anniversary thereafter ("Anniversary Date"), this Agreement shall automatically be renewed for one (1) additional year beyond the term otherwise established, unless one party provides written notice to the other party, at least one-hundred and twenty (120) days in advance of an Anniversary Date, of its intent not to renew this Agreement for an additional one year term. Notwithstanding the foregoing, if a Change in Control shall have occurred after the Effective Date and during the term of this Agreement, this Agreement shall continue in effect for a period of not less than twenty-four (24) months beyond the month in which a Change in Control occurred.

3. Compensation Other Than Severance Payments.

3.1 Following a Change in Control and during the term of this Agreement, during any period that the Executive fails to perform the Executive's full-time duties with the Company as a result of a "disability" (as defined in Treas. Reg. § 1.409A-3(i)(4)), the Company shall pay the Executive's current base salary to the Executive at the rate in effect at the commencement of any such period, together with all compensation and benefits payable to the Executive under the terms of any compensation or benefit plan, program or arrangement maintained by the Company during such period, until the Executive's employment is terminated by the Company.

3.2 If the Executive's employment shall be terminated for any reason following a Change in Control and during the term of this Agreement, the Company shall pay the Executive's current base salary through the Date of Termination, together with all compensation and benefits to which the Executive is entitled in respect of all periods preceding the Date of Termination under the terms of the Company's compensation and benefit plans, programs or arrangements.

4. Severance Payments.

4.1 If a Qualifying Termination shall occur, in addition to any payments and benefits to which the Executive is entitled under Section 3 hereof, the Company shall pay the Executive the payments described in this Section 4.1 (the "Severance Payments"); provided, however, that, in the case of clauses (A), (B), (C), (D) and (F) below, the Executive shall have executed and not revoked a release of claims in the form set forth in Exhibit A hereto. The Executive shall also be entitled to the Severance Payments (and any payments and benefits under Section 3) if the Executive's employment is terminated by the Company other than (x) for Cause or (y) by reason of death or

Disability within the six (6) month period immediately preceding a Change in Control and the Executive reasonably demonstrates that such termination is otherwise in connection with or in anticipation of a Change in Control that actually occurs during the term of the Agreement (a "Pre-Change in Control Termination"); provided, however, that, in the case of clauses (A), (B), (C), (D) and (F) below, Executive shall have executed and not revoked a release of claims in the form set forth in Exhibit A hereto; and provided further, however, that any such payments shall be offset by the amount of severance previously paid to the Executive under any employment agreement between the Executive and the Company and, to the extent permitted by Section 409A of the Code, any other severance policy, plan or program of the Company.

(A) In lieu of any further salary payments to the Executive for periods subsequent to the Date of Termination and in lieu of any severance benefit otherwise payable to the Executive, the Company shall pay to the Executive a lump sum severance payment, in cash, equal to seventy five percent (75%) of the Executive's annual base salary then in effect (or immediately prior to any reduction resulting in a termination for Good Reason, if applicable) (the "Change in Control Salary").

(B) Notwithstanding any provision of any annual incentive plan to the contrary, the Company shall pay to the Executive an amount, in cash, equal to the sum of (i) any unpaid incentive compensation which has been allocated or awarded to the Executive for a completed fiscal year preceding the Date of Termination under any such plan and which, as of the Date of Termination, is contingent only upon the continued employment of the Executive to a subsequent date, and (ii) a pro rata portion to the Date of Termination of Executive's target bonus for the year in which the Date of Termination occurs (or the target in effect immediately prior to the first occurrence of an event or circumstance constituting Good Reason), calculated by multiplying such target bonus by the fraction obtained by dividing the number of full months and any fractional portion of a month during such year through the Date of Termination by twelve (12).

(C) For the six month period immediately following the Date of Termination, the Company shall arrange to provide the Executive (which includes the Executive's eligible dependents for purposes of this subsection (C)) with life, disability, accident and health insurance benefits substantially similar to those which the Executive was receiving immediately prior to the Date of Termination (or immediately prior to any reduction resulting in a termination for Good Reason, if applicable); provided, however, that (i) the Executive's and his qualified dependents' COBRA eligibility period shall include the period during which the Company is providing benefits under this subsection (C); (ii) unless the Executive consents to a different method (or elects COBRA coverage at applicable COBRA rates), such health insurance benefits shall be provided through a third-party insurer; and (iii) the Executive shall be responsible for the payment of premiums for such benefits in the same amount as active employees of the Company. Benefits otherwise receivable by the Executive pursuant to this subsection (C) shall be reduced to the extent comparable benefits (including continued coverage for any preexisting medical condition of any person covered by the benefits provided to the Executive and his eligible dependents immediately prior to the Date of Termination) are actually received by or made available to the Executive by a subsequent employer during the twenty-four month period following the Executive's Date of Termination (and any such benefits actually received by or made available to the Executive shall be reported to the Company by the Executive). Notwithstanding the foregoing, in the event of a Pre-Change in Control Termination, on the sixtieth (60th) day following the Change in Control the Company shall pay or reimburse the Executive for any amounts or benefits it would have been responsible to pay or provide to the Executive under this Section 4.1(C) during the period prior to the Change in Control, had the Change in Control occurred on the Date of Termination.

(D) If the Executive would have become entitled to benefits under the Company's post-retirement health care or life insurance plans (as in effect immediately prior to the Date of Termination (or immediately prior to any reduction resulting in a termination for Good Reason, if applicable)) had the Executive's employment terminated at any time during the period of twenty four months after the Date of Termination, the Company shall provide such post-retirement health care or life insurance benefits to the Executive (subject to any employee contributions required under the terms of such plans in the same amounts as active employees of the Company) commencing on the later of (i) the date that such coverage would have first become available or (ii) the date that benefits described in subsection (C) of this Section 4.1 terminate.

(E) The Company shall pay the Executive, at a daily salary rate calculated from the Executive's annual base salary in effect immediately prior to the Date of Termination (or immediately prior to any reduction resulting in a termination for Good Reason, if applicable), a lump sum amount equal to all earned but unused paid time off days through the Date of Termination.

(F) The Company shall pay, no later than the last day of the calendar year in which they are incurred, the reasonable fees and expenses of a full service nationally recognized executive outplacement firm until the earlier of the date the Executive secures new employment or the date which is twenty-four months following the Executive's Date of Termination; provided that in no event shall the aggregate amount of such payments exceed $5,000.

4.2 Benefit Limitation.

(A) Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment (including any acceleration of vesting of stock based benefits) or distribution by the Company to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), the amounts and benefits payable under this Agreement shall be reduced by an amount that would result in no Excise Tax being imposed; provided that the amounts and benefits payable under this Agreement shall not be reduced unless the amounts and benefits the Executive would receive after such reduction would be greater than the amounts and benefits the Executive would receive if there were no reduction and the Excise Tax were paid by the Executive (such reduction, the "Cut Back"). For purposes of determining whether any Payments should be subject to the Cut-Back, (i) Executive shall be deemed to pay federal income tax at the highest marginal rate of federal income taxation in the calendar year in which the Date of Termination occurs and state and local income taxes at the highest marginal rate of taxation in the state and locality of the Executive's residence on the Date of Termination, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes, (ii) no portion of the Payments the receipt or enjoyment of which the Executive shall have waived at such time and in such manner as not to constitute a "payment" within the meaning of section 280G(b) of the Code shall be taken into account, (iii) no portion of the Payments shall be taken into account which, in the opinion of the Accounting Firm, does not constitute a "parachute payment" within the meaning of section 280G(b)(2) of the Code, including by reason of section 280G(b)(4)(A) of the Code, (iv) the Severance Payments shall be reduced only to the extent necessary so that the Payments in their entirety constitute reasonable compensation for services actually rendered within the meaning of section 280G(b)(4)(B) of the Code or are otherwise not subject to disallowance as deductions by reason of section 280G of the Code, in the opinion of the Accounting Firm, and (v) the value of any noncash benefit or any deferred payment or benefit included in the Payments shall be determined by the Accounting Firm in accordance with the principles of sections 280G(d)(3) and (4) of the Code. Unless the Executive shall have given prior written notice to the Company specifying a different order of payments and benefits to be reduced to achieve the Cut-Back, any payments and benefits to be reduced hereunder shall be determined in a manner that has the least economic cost to the Executive, on an after-tax basis, and to the extent the economic cost is equivalent, such payments and benefits shall be reduced in the inverse order of when the payments and benefits would have been made or provided to the Executive until the reduction specified herein is achieved. The Executive may specify the order of reduction of the payments and benefits only to the extent that doing so does not directly or indirectly alter the time or method of payment of any amount that is deferred compensation subject to (and not exempt from) Section 409A of the Code.

(B) All determinations required to be made under this Section 4.2 shall be made by a nationally recognized accounting firm designated by the Company (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Executive within fifteen (15) business days after there has been a Cut-Back, or such earlier time as requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change in Control, the Company shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm instead shall be the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

4.3 Payment of Severance Payments.

(A) Each payment provided for in Section 4.1 hereof is intended to constitute a separate payment within the meaning of Section 409A of the Code. The payments provided for in subsections (A) and (C) of Section 4.1 hereof shall be made on the sixtieth (60th) day following the Date of Termination subject to Section 4.3(B) below; and in the event the Executive becomes entitled to Severance Payments pursuant to the second sentence of Section 4.1, the payments provided for in subsections (A) and (C) of Section 4.1 hereof shall be made on the sixtieth (60th) day following the actual Change in Control that triggered the Severance Payments.

(B) If any payment, compensation or other benefit provided to the Executive in connection with his employment termination is determined, in whole or in part, to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code and the Executive is a "specified employee," as such term is defined under Section 409A(a)(2)(B)(i) of the Code, all such payments shall be suspended during the six-month period following the Executive's "separation from service" within the meaning of Treas. Reg. § 1.409A-1(h) or any successor thereto. The Company is entitled to determine whether any amounts under this Agreement are to be suspended, and the Company shall have no liability to the Executive for any such determination or any errors made by the Company in identifying the Executive as a specified employee. If any amounts are suspended pursuant to the foregoing, such amounts shall be paid on the earlier of (i) the first business day following the expiration of the six-month period referred to in the first sentence of this subsection or (ii) the date of the Executive's death. Any amounts so suspended shall earn interest thereon, if applicable, calculated based upon the then prevailing monthly short-term applicable federal rate. Notwithstanding the foregoing, to the extent that the foregoing applies to the provision of any ongoing welfare benefits to the Executive that would not be required to be delayed if the premiums therefor were paid by the Executive, the Executive shall pay the full cost of premiums for such welfare benefits during the six-month period and the Company shall pay the Executive an amount equal to the amount of such premiums paid by the Executive during such six-month period on the first business day of the month following the expiration of the six-month period referred to above.

(C) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits subject to Section 409A of the Code upon or following a termination of employment unless such termination is also a "separation from service" as defined in Treas. Reg. § 1.409A-1(h) or any successor thereto, including the default presumptions thereunder, and for purposes of any such provision of this Agreement, references to a "resignation," "termination," "terminate," "termination of employment" or like terms shall mean separation from service.

(D) The parties hereto acknowledge and agree that the interpretation of Section 409A of the Code and its application to the terms of this Agreement is uncertain and may be subject to change as additional guidance and interpretations become available. Anything to the contrary herein notwithstanding, all benefits or payments provided by the Company to the Executive that would be deemed to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code are intended to comply with Section 409A of the Code. If, however, any such benefit or payment is deemed not to comply with Section 409A of the Code, the Company and the Executive agree to renegotiate in good faith any such benefit or payment (including, without limitation, as to the timing of any severance payments payable hereunder) so that either (i) Section 409A of the Code will not apply or (ii) compliance with Section 409A of the Code will be achieved.

(E) Notwithstanding anything to the contrary contained in this Agreement, any reimbursement for a cost or expense under this Agreement shall be paid in no event later than the end of the taxable year following the taxable year in which the Executive incurs such cost or expense. With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Section 409A of the Code, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (ii) the amount of expenses eligible for reimbursements or in-kind benefits provided during any taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits to be provided in any other taxable year; provided, however, that the foregoing clause (ii) shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Code solely because such expenses are subject to a limit related to the period the arrangement is in effect.

4.4 The Company shall reimburse the Executive for all reasonable legal fees and expenses incurred by the Executive in attempting to obtain or enforce rights or benefits provided by this Agreement, if, with respect to any such right or benefit, the Executive is successful in obtaining or enforcing such right or benefit (including by negotiated settlement).

5. Restrictive Covenants.

5.1 During the Executive's employment with the Company and for a period of twelve (12) months thereafter:

(A) the Executive shall not, directly for the Executive or any third party, become engaged in any business or activity which is directly in competition with any services or products sold by, or any business or activity engaged in by, the Company or any of its affiliates; provided, however, that this provision shall not restrict the Executive from owning or investing in publicly traded securities, so long as the Executive's aggregate holdings in any company do not exceed 5% of the outstanding equity of such company and such investment is passive;

(B) the Executive shall not solicit any person who was a customer of the Company or any of its affiliates during the period of the Executive's employment hereunder, or solicit potential customers who are or were identified through leads developed during the course of employment with the Company, or otherwise divert or attempt to divert any existing business of the Company or any of its affiliates; and

(C) the Executive shall not, directly for the Executive or any third party, solicit, induce, recruit or cause another person in the employment of the Company or any of its affiliates to terminate such employee's employment for the purposes of joining, associating, or becoming employed with any business or activity which is in competition with any services or products sold, or any business or activity engaged in, by the Company or any of its affiliates.

5.2 The Executive agrees that he will not, while employed with the Company or at any time thereafter for any reason, in any fashion, form or manner, either directly or indirectly, divulge, disclose or communicate to any person, firm, corporation or other business entity, in any manner whatsoever, any confidential information or trade secrets concerning the business of the Company, including, without limiting the generality of the foregoing, any customer lists or other customer identifying information, the techniques, methods or systems of the Company's operation or management, any information regarding its financial matters, or any other material information concerning the business of the Company, its manner of operation, its plans or other material data. The provisions of this Section 5.2 shall not apply to (i) information that is public knowledge other than as a result of disclosure by the Executive in breach of this Section 5.2; (ii) information disseminated by the Company to third parties in the ordinary course of business; (iii) information lawfully received by the Executive from a third party who, based upon inquiry by the Executive, is not bound by a confidential relationship to the Company, or (iv) information disclosed under a requirement of law or as directed by applicable legal authority having jurisdiction over the Executive.

5.3 The Executive agrees that he will not, while employed with the Company or at any time thereafter for any reason, in any fashion, form or manner, either directly or indirectly, disparage or criticize the Company, or otherwise speak of the Company, in any negative or unflattering way to anyone with regard to any matters relating to the Executive's employment by the Company or the business or employment practices of the Company. The Company agrees that it will not, in any fashion, form or manner, either directly or indirectly, disparage or criticize the Executive or otherwise speak of the Executive in any negative or unflattering way to anyone with regard to any matters relating to the Executive's employment with the Company. This Section 5.3 shall not operate as a bar to (i) statements reasonably necessary to be made in any judicial, administrative or arbitral proceeding, or (ii) internal communications between and among the employees of the Company with a job-related need to know about this Agreement or matters related to the administration of this Agreement.

5.4 The Executive understands that in the event of a violation of any provision of Section 5, the Company shall have the right to (i) seek injunctive relief, in addition to any other existing rights provided in this Agreement or by operation of law, without the requirement of posting bond and (ii) stop making any future payments or providing benefits under this Agreement. The remedies provided in this Section 5.4 shall be in addition to any legal or equitable remedies existing at law or provided for in any other agreement between the Executive and the Company or any of its affiliates, and shall not be construed as a limitation upon, or as an alternative or in lieu of, any such remedies. If any provisions of Section 5 shall be determined by a court of competent jurisdiction to be unenforceable in part by reason of it being too great a period of time or covering too great a geographical area, it shall be in full force and effect as to that period of time or geographical area determined to be reasonable by the court.

5.5 The Executive acknowledges that the provisions of Section 5 shall extend to any business that becomes an affiliate of or successor to the Company or any of its affiliates on account of such Change in Control.

6. Requirement of Release. Notwithstanding anything in this Agreement to the contrary, the release of claims referenced in Section 4.1 above shall completely release the Company, its parent and affiliates and their respective officers, directors and employees (collectively the "Released Parties" and individually a "Released Party") and which shall forever waive all claims of any nature that the Executive may have against any Released Party, including without limitation all claims arising out of Executive's employment within the Company or the termination of that employment. If the Executive does not execute an effective release, such release does not become irrevocable or such release is revoked, in each case, prior to the time of payment prescribed in Section 4.1 above, the Company's obligations to provide the benefits described in Section 4.1(C) hereof shall cease immediately.

7. Termination Procedures.

7.1 Notice of Termination. After a Change in Control and during the term of this Agreement, any purported termination of the Executive's employment (other than by reason of death) shall be communicated by written Notice of Termination from one party hereto to the other party hereto in accordance with Section 10 hereof. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate whether the termination is for Cause, without Cause, by reason of Disability, for Good Reason or otherwise and shall set forth in reasonable detail the facts and circumstances claimed to provide the basis for termination of the Executive's employment; provided, that the failure of the Executive or the Company to set forth in the Notice of Termination any particular facts or circumstances shall not waive any right of such party or preclude such party from asserting such facts or circumstances in enforcing his or its rights hereunder.

7.2 Date of Termination. "Date of Termination," with respect to any purported termination of the Executive's employment after a Change in Control and during the term of this Agreement, shall mean (i) if the Executive's employment is terminated for Disability, thirty (30) days after Notice of Termination is given (provided that the Executive shall not have returned to the full-time performance of the Executive's duties during such thirty (30) day period), and (ii) if the Executive's employment is terminated for any other reason, the date specified in the Notice of Termination (which, in the case of a termination by the Company, shall not be less than thirty (30) days (except in the case of a termination for Cause) and, in the case of a termination by the Executive, shall not be less than fifteen (15) days nor more than sixty (60) days, respectively, from the date such Notice of Termination is given). "Date of Termination," with respect to any Pre-Change in Control Termination shall mean the date of such termination as reasonably determined by the Company.

8. No Mitigation. The Company agrees that, if the Executive's employment with the Company terminates during the term of this Agreement, the Executive shall not be required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by the Company pursuant to Section 4 hereof. Further, the amount of any payment or benefit provided for in this Agreement (other than Section 4.1 (C) hereof) shall not be reduced by any compensation earned by the Executive as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by the Executive to the Company, or otherwise.

9. Successors; Binding Agreement.

9.1 In addition to any obligations imposed by law upon any successor to the Company, the Company shall require (i) any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company (on a consolidated basis) and (ii) in the case of a disposition of all or substantially all of the business or assets of the Company (on a consolidated basis) to more than one entity in a single transaction or series of related transactions, the entity that will employ the Executive immediately after such disposition (such successor or other entity in clause (i) or (ii), a "Successor") to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession or disposition had taken place prior to the effectiveness of any such succession or disposition. If such assumption and agreement is obtained prior to the effectiveness of any such succession or disposition and the Executive accepts employment with the Successor, the Executive's employment shall not be treated as a termination of the Executive's employment with the Company (unless otherwise required in order to comply with the definition of "separation from service" as set forth in Treas. Reg. § 1.409A-1(h) or any successor regulation thereto).

9.2 This Agreement shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive shall die while any amount would still be payable to the Executive hereunder (other than amounts which, by their terms, terminate upon the death of the Executive) if the Executive had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to the executors, personal representatives or administrators of the Executive's estate.

10. Notices. For the purpose of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered mail, return receipt requested, postage prepaid, addressed, if to the Executive, to the address shown for the Executive in the personnel records of the Company and, if to the Company, to the address set forth below, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon actual receipt:

To the Company:
Insignia Systems, Inc.
8799 Brooklyn Blvd., Minneapolis, MN 55445
Attention: Chief Financial Officer

11. Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by the Executive and such officer as may be specifically designated by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or of any lack of compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. This Agreement supersedes any other agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof which have been made by either party, including without limitation the Change in Control Agreement between the Company and the Executive entered into as of May 9, 2018; provided, however, that this Agreement shall supersede any agreement setting forth the terms and conditions of the Executive's termination of employment with the Company only in the event that the Executive's employment with the Company is terminated on or following a Change in Control, by the Company without Cause or by the Executive for Good Reason, as defined herein, or the Executive incurs a Pre-Change in Control Termination, as defined herein. For avoidance of doubt, this Agreement shall not supersede the Employment Agreement between the Company and the Executive entered into as of December 20, 2019 (the "Employment Agreement"). The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Minnesota. All references to sections of the Code shall be deemed also to refer to any successor provisions to such sections. Any payments provided for hereunder shall be paid net of any applicable withholding required under federal, state or local law and any additional withholding to which the Executive has agreed. The obligations of the Company and the Executive under Sections 4 and 5 hereof shall survive the expiration of the term of this Agreement. This Agreement is not intended by the parties hereto to constitute an employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended.

12. Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

13. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

14. Settlement of Disputes; Arbitration. All claims by the Executive for benefits under this Agreement shall be directed in writing to and determined by the Committee, which shall give full consideration to the evidentiary standards set forth in this Agreement. Any denial by the Committee of a claim for benefits under this Agreement shall be delivered to the Executive in writing and shall set forth the specific reasons for the denial and the specific provisions of this Agreement relied upon. The Committee shall afford a reasonable opportunity to the Executive for a review of the decision denying a claim and shall further allow the Executive to appeal to the Committee a decision of the Committee within sixty (60) days after notification by the Committee that the Executive's claim has been denied. Any further dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in Minneapolis, Minnesota in accordance with the rules of the American Arbitration Association then in

effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction.

15. Definitions. For purposes of this Agreement, the following terms shall have the meanings indicated below:

(A) "Accounting Firm" shall have the meaning stated in Section 4.2(B) hereof.

(B) "Anniversary Date" shall have the meaning stated in Section 2 hereof.

(C) "Board" shall mean the Board of Directors of the Company.

(D) "Cause" for termination by the Company of the Executive's employment shall mean (i) the deliberate and continued failure by the Executive to devote substantially all the Executive's business time and best efforts to the performance of the Executive's duties after a demand for substantial performance is delivered to the Executive by the Board which specifically identifies the manner in which the Executive has not substantially performed such duties; (ii) the deliberate engaging by the Executive in gross misconduct which is demonstrably and materially injurious to the Company, monetarily or otherwise; or (iii) the Executive's conviction of, or plea of guilty or *nolo contendere* to, a felony or any criminal charge involving moral turpitude. For the purposes of this Agreement, no act, or failure to act, on the part of the Executive shall be considered "deliberate" unless done, or omitted to be done, by the Executive not in good faith and without reasonable belief that such action or omission was in the best interests of the Company.

(E) A "Change in Control" shall be deemed to have occurred if any of the following shall have occurred after the Effective Date:

(i) the closing of the sale of all or substantially all of the assets of the Company;

(ii) the closing of a merger, consolidation or corporate reorganization of the Company which results in the stockholders of the Company immediately prior to such event owning less than 50% of the combined voting power of the Company's capital stock immediately following such event;

(iii) the acquisition by any person (or persons who would be considered a group under the federal securities laws) who as of the date of this Agreement own less than 25% of the voting power of the Company's outstanding voting securities, of beneficial ownership of securities representing 40% or more of the combined voting power or the Company's then outstanding securities; or

(iv) the election to the Company's board of directors of persons who constitute a majority of the board of directors and who were not nominated for election by the board of directors as part of a management slate.

Notwithstanding anything to the contrary herein, solely for the purpose of determining the timing of payment or timing of distribution of any compensation or benefit that constitutes "non-qualified deferred compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended, a Change in Control shall not be deemed to occur under this Agreement unless the events that have occurred would also constitute a "Change in the Ownership or Effective Control of a Corporation or in the Ownership of a Substantial Portion of the Assets of a Corporation" under Treasury Department Final Regulation 1.409A-3(i)(5), or any successor provision.

(F) "Change in Control Salary" shall have the meaning stated in Section 4.1(A) hereof.

(G) "COBRA" shall mean the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended from time to time.

(H) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

(I) "Committee" shall mean (i) the individuals (not fewer than three in number) who, on the date six (6) months before a Change in Control, constitute the Compensation Committee of the Board (or its successor), plus (ii) in the event that fewer than three individuals are available from the group specified in clause (i) above for any reason, such individuals otherwise constituting members of the Board as may be appointed by the individual or individuals so available (including for this purpose any individual or individuals previously so appointed under this clause (ii)); provided, that, if after such appointments fewer than three individuals constitute the Committee, then the Board shall appoint additional members of the Committee so that the Committee shall have no fewer than three members, a majority of which additional appointees, if available, shall be "independent directors" (as defined under the rules of the Nasdaq Stock Market).

(J) "Company" shall mean Insignia Systems, Inc., as hereinbefore defined, or any Successor that has assumed this Agreement pursuant to Section 9.1 hereof.

(K) "Cut Back" shall have the meaning stated in Section 4.2(A) hereof.

(L) "Date of Termination" shall have the meaning stated in Section 7.2 hereof.

(M) "Disability" shall be deemed the reason for the termination by the Company of the Executive's employment, if, as a result of the Executive's incapacity due to physical or mental illness, the Executive shall have been absent from the full-time performance of the Executive's duties with the Company for a period of six (6) consecutive months, the Company shall have given the Executive a Notice of Termination for Disability, and, within thirty (30) days after such Notice of Termination is given, the Executive shall not have returned to the full-time performance of the Executive's duties.

(N) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

(O) "Excise Tax" shall have the meaning stated in Section 4.2(A) hereof.

(P) "Good Reason" for termination by the Executive of the Executive's employment shall mean the occurrence (without the Executive's express written consent), during the term of this Agreement, of any one of the following acts by the Company, or failures by the Company to act:

(i) a material diminution in the Executive's authority, duties, or responsibilities or the assignment to Executive of duties or responsibilities that are materially inconsistent from those in effect immediately prior to the Change in Control, provided, however, that a change in the Company's status as a publicly held corporation filing reports under the Exchange Act shall not be deemed to constitute Good Reason hereunder;

(ii) a reduction of fifteen percent (15%) or more by the Company in the Executive's annual base salary as in effect on the date hereof or as the same may be increased from time to time except for across-the-board salary reductions similarly affecting all senior executive officers of the Company;

(iii) the failure by the Company to continue in effect any compensation plan in which the Executive participates immediately prior to the Change in Control which is material to the Executive's total compensation, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan, or the failure by the Company to continue the Executive's participation therein (or in such substitute or alternative plan) on a basis not materially less favorable in terms of compensation opportunity ("materially less favorable" shall be a reduction of fifteen percent (15%) or more in the compensation opportunity), as existed immediately prior to the Change in Control except for across-the-board compensation plan reductions similarly affecting all senior executive officers of the Company;

(iv) the failure by the Company to continue to provide the Executive with benefits substantially similar to those enjoyed by the Executive under any of the Company's retirement, life insurance, medical, health and accident, or disability plans in which the Executive was participating immediately prior to the Change in Control, the taking of any action by the Company which would directly or indirectly materially reduce any of such benefits (a "material reduction" shall be a reduction of ten percent (10%) or more in the value of the aggregate benefits), or deprive the Executive of any material fringe benefit enjoyed by the Executive at the time of the Change in Control except for (i) across-the-board benefit reductions similarly affecting all senior executive officers of the Company or (ii) reduction or elimination of Executive's annual comprehensive "executive" physical examinations, financial planning or other perquisites; or

(v) a material breach by the Company of its obligations under this Agreement; or

The Executive's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason hereunder.

The Executive's right to terminate employment for Good Reason shall be subject to the following conditions: (i) any amounts payable upon a Good Reason termination shall be paid only if the Executive actually terminates employment within one hundred and eighty (180) days following the initial existence of the Good Reason condition and (ii) the amount, time and form of payment upon a termination of employment for Good Reason shall be the same as the amount, time and form of payment payable upon an involuntary termination without Cause. The Executive must also provide notice to the Company of the Good Reason condition within ninety (90) days of the initial existence of such condition and the Company must be given at least thirty (30) days to remedy such situation.

(Q) "Notice of Termination" shall have the meaning stated in Section 7.1 hereof.

(R) "Payment" shall have the meaning stated in Section 4.2(A) hereof.

(S) "Pre-Change in Control Termination" shall have the meaning stated in Section 4.1 hereof.

(T) "Qualifying Termination" shall mean a termination of the Executive's employment, concurrent with, or during the twenty-four month period following, a Change in Control, unless such termination is (i) by the Company for Cause, (ii) by reason of death or Disability, or (iii) by the Executive without Good Reason.

(U) "Released Parties" or "Released Party" shall have the meaning stated in Section 6 hereof.

(V) "Severance Payments" shall mean those payments described in Section 4.1 hereof.

(W) "Successor" shall have the meaning stated in Section 9.1 hereof.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer and Executive has executed this Agreement as of the day and year first above written.

INSIGNIA SYSTEMS, INC.

By: /s/ Kristine Glancy
Name: Kristine Glancy
Title: President and CEO

ADAM MAY

By: /s/ Adam May

EXHIBIT A

FORM OF RELEASE AGREEMENT

THIS RELEASE AGREEMENT (the "Release") is made as of this ___day of ___________, 20__, by and between Adam May ("Executive") and Insignia Systems, Inc., a Minnesota corporation (the "Company").

1. FOR AND IN CONSIDERATION of the payments and benefits provided in the Change in Control Agreement between Executive and the Company dated effective as of December 20, 2019 (as such agreement may be amended, restated or replaced, the "Change in Control Agreement"), Executive, for himself, his successors and assigns, executors and administrators, now and forever hereby releases and discharges the Company, together with all of its past and present parents, subsidiaries, and affiliates, together with each of their officers, directors, stockholders, partners, employees, agents, representatives and attorneys, and each of their subsidiaries, affiliates, estates, predecessors, successors, and assigns (hereinafter collectively referred to as the "Releasees") from any and all rights, claims, charges, actions, causes of action, complaints, sums of money, suits, debts, covenants, contracts, agreements, promises, obligations, damages, demands or liabilities of every kind whatsoever, in law or in equity, whether known or unknown, suspected or unsuspected, which Executive or Executive's executors, administrators, successors or assigns ever had, now has or may hereafter claim to have by reason of any matter, cause or thing whatsoever; arising from the beginning of time up to the date of the Release: (i) relating in any way to Executive's employment relationship with the Company or any of the Releasees, or the termination of Executive's employment relationship with the Company or any of the Releasees; (ii) arising under or relating to the Change in Control Agreement; (iii) arising under any federal, local or state statute or regulation, including, without limitation, the Age Discrimination in Employment Act of 1967, as amended by the Older Workers Benefit Protection Act, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, the Employee Retirement Income Security Act of 1974, and/or the applicable state law against discrimination, each as amended; (iv) relating to wrongful employment termination or breach of contract; or (v) arising under or relating to any policy, agreement, understanding or promise, written or oral, formal or informal, between the Company and any of the Releasees and Executive; provided, however, that notwithstanding the foregoing, nothing contained in the Release shall in any way diminish or impair: (i) the Executive's ability to enforce the provisions of Section 4.1 of the Change in Control Agreement; (ii) any direct or indirect holdings of equity in the Company; (iii) any claims for accrued and vested benefits under any of the Company's employee retirement and welfare benefit plans; (iv) any rights or claims Executive may have that cannot be waived under applicable law; and (v) any rights to indemnification as an officer of the Company under Minnesota law (collectively, the "Excluded Claims"). Executive further acknowledges and agrees that, except with respect to Excluded Claims, the Company and the Releasees have fully satisfied any and all obligations whatsoever owed to Executive arising out of Executive's employment with the Company or any of the Releasees, and that no further payments or benefits are owed to Executive by the Company or any of the Releasees.

2. Executive understands and agrees that, except for the Excluded Claims, Executive has knowingly relinquished, waived and forever released any and all rights to any personal recovery in any action or proceeding that may be commenced on Executive's behalf arising out of the aforesaid employment relationship or the termination thereof, including, without limitation, claims for back pay, front pay, liquidated damages, compensatory damages, general damages, special damages, punitive damages, exemplary damages, costs, expenses and attorneys' fees.

3. Executive acknowledges and agrees that Executive has been advised to consult with an attorney of Executive's choosing prior to signing the Release. Executive understands and agrees that Executive has the right and has been given the opportunity to review the Release with an attorney of Executive's choice should Executive so desire. Executive also agrees that Executive has entered into the Release freely and voluntarily. Executive further acknowledges and agrees that Executive has had at least twenty-one (21) calendar days to consider the Release, although Executive may sign it sooner if Executive wishes. In addition, once Executive has signed the Release, Executive shall have fifteen (15) additional days from the date of execution to revoke Executive's consent and may do so by writing to: Insignia Systems, Inc., 8799 Brooklyn Blvd., Minneapolis, Minnesota 55445, Attention: ____________________. The Release shall not be effective, and no payments shall be due under Section 4 of the Change in Control Agreement, until the sixteenth (16th) day after

Executive shall have executed the Release and returned it to the Company, assuming that Executive had not revoked Executive's consent to the Release prior to such date.

4. It is understood and agreed by Executive that the payment made to Executive is not to be construed as an admission of any liability whatsoever on the part of the Company or any of the other Releasees, by whom liability is expressly denied.

5. The Release is executed by Executive voluntarily and is not based upon any representations or statements of any kind made by the Company or any of the other Releasees as to the merits, legal liabilities or value of Executive's claims. Executive further acknowledges that Executive has had a full and reasonable opportunity to consider the Release and that Executive has not been pressured or in any way coerced into executing the Release.

6. The exclusive venue for any disputes arising hereunder shall be the state or federal courts located in the State of Minnesota, and each of the parties hereto irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum. Each of the parties hereto also agrees that any final and unappealable judgment against a party hereto in connection with any action, suit or other proceeding may be enforced in any court of competent jurisdiction, either within or outside of the United States. A certified or exemplified copy of such award or judgment shall be conclusive evidence of the fact and amount of such award or judgment.

7. The Release and the rights and obligations of the parties hereto shall be governed and construed in accordance with the laws of the State of Minnesota. If any provision hereof is unenforceable or is held to be unenforceable, such provision shall be fully severable, and this document and its terms shall be construed and enforced as if such unenforceable provision had never comprised a part hereof, the remaining provisions hereof shall remain in full force and effect, and the court construing the provisions shall add as a part hereof a provision as similar in terms and effect to such unenforceable provision as may be enforceable, in lieu of the unenforceable provision.

8. The Release shall inure to the benefit of and be binding upon the Company and its successors and assigns.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, Executive and the Company have executed the Release as of the date and year first written above.

INSIGNIA SYSTEMS, INC.

By: ____
Name: Kristine Glancy
Title: Chief Executive Officer

ADAM MAY

By: ____

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our report dated March 10, 2020, with respect to the financial statements included in the Annual Report of Insignia Systems, Inc. on Form 10-K for the year ended December 31, 2019. We hereby consent to the incorporation by reference of said report in the following Registration Statements of Insignia Systems, Inc. on the Forms indicated:

Form S-8:

File No. 333-226670, effective August 8, 2018
File No. 333-205961, effective July 30, 2015
File No. 333-197933, effective August 7, 2014
File No. 333-188761, effective May 22, 2013
File No. 333-182981, effective August 1, 2012

/s/ Baker Tilly Virchow Krause, LLP

Minneapolis, Minnesota
March 10, 2020

Exhibit 24.1

INSIGNIA SYSTEMS, INC.

Power of Attorney

The undersigned director of Insignia Systems, Inc., a Minnesota corporation (the "*Company*"), does hereby make, constitute and appoint Kristine A. Glancy and Jeffrey A. Jagerson, and either of them, the undersigned's true and lawful attorneys-in-fact and agents, with power of substitution and resubstitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as such director of the Company to an Annual Report on Form 10-K for the fiscal year ended December 31, 2019 or other applicable form, and any amendments thereto, to be filed by the Company with the U.S. Securities and Exchange Commission, Washington, D.C. (the "*SEC*"), and to file the same with all exhibits thereto and other supporting documents in connection therewith with the SEC, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and to perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney this 27th day of February, 2020.

/s/ Jacob J. Berning
Jacob J. Berning

INSIGNIA SYSTEMS, INC.

Power of Attorney

The undersigned director of Insignia Systems, Inc., a Minnesota corporation (the "*Company*"), does hereby make, constitute and appoint Kristine A. Glancy and Jeffrey A. Jagerson, and either of them, the undersigned's true and lawful attorneys-in-fact and agents, with power of substitution and resubstitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as such director of the Company to an Annual Report on Form 10-K for the fiscal year ended December 31, 2019 or other applicable form, and any amendments thereto, to be filed by the Company with the U.S. Securities and Exchange Commission, Washington, D.C. (the "*SEC*"), and to file the same with all exhibits thereto and other supporting documents in connection therewith with the SEC, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and to perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney this 27th day of February, 2020.

/s/ Chad B. Johnson
Chad B. Johnson

INSIGNIA SYSTEMS, INC.

Power of Attorney

The undersigned director of Insignia Systems, Inc., a Minnesota corporation (the "*Company*"), does hereby make, constitute and appoint Kristine A. Glancy and Jeffrey A. Jagerson, and either of them, the undersigned's true and lawful attorneys-in-fact and agents, with power of substitution and resubstitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as such director of the Company to an Annual Report on Form 10-K for the fiscal year ended December 31, 2019 or other applicable form, and any amendments thereto, to be filed by the Company with the U.S. Securities and Exchange Commission, Washington, D.C. (the "*SEC*"), and to file the same with all exhibits thereto and other supporting documents in connection therewith with the SEC, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and to perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney this 27th day of February, 2020.

/s/ Loren A. Unterseher
Loren A. Unterseher

INSIGNIA SYSTEMS, INC.

Power of Attorney

The undersigned director of Insignia Systems, Inc., a Minnesota corporation (the "*Company*"), does hereby make, constitute and appoint Kristine A. Glancy and Jeffrey A. Jagerson, and either of them, the undersigned's true and lawful attorneys-in-fact and agents, with power of substitution and resubstitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as such director of the Company to an Annual Report on Form 10-K for the fiscal year ended December 31, 2019 or other applicable form, and any amendments thereto, to be filed by the Company with the U.S. Securities and Exchange Commission, Washington, D.C. (the "*SEC*"), and to file the same with all exhibits thereto and other supporting documents in connection therewith with the SEC, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and to perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney this 27th day of February, 2020.

/s/ Rachael B. Vegas
Rachael B. Vegas

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Kristine A. Glancy, certify that:

1. I have reviewed this report on Form 10-K of Insignia Systems, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within the Company, particularly during the period in which this report is being prepared; and

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; and

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: March 10, 2020

/s/ Kristine A. Glancy
Kristine A. Glancy
President and Chief Executive Officer
(principal executive officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Jeffrey A. Jagerson, certify that:

1. I have reviewed this report on Form 10-K of Insignia Systems, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within the Company, particularly during the period in which this report is being prepared; and

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; and

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: March 10, 2020

/s/ Jeffrey A. Jagerson
Jeffrey A. Jagerson
Vice President of Finance and Chief Financial Officer
(principal accounting and financial officer)

Exhibit 32

SECTION 1350 CERTIFICATION

The undersigned certify pursuant to 18 U.S.C. § 1350, that:

1. The accompanying Annual Report on Form 10-K for the year ended December 31, 2019, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the accompanying Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 10, 2020	/s/ Kristine A. Glancy Kristine A. Glancy President and Chief Executive Officer (principal executive officer)
Dated: March 10, 2020	/s/ Jeffrey A. Jagerson Jeffrey A. Jagerson Vice President of Finance and Chief Financial Officer (principal accounting and financial officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Annual Report on Form 10-K or as a separate disclosure document.

A signed original of this written statement required by 18 U.S.C. § 1350 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.