

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

FORM 10-K/A
(Amendment No. 1)

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

For the fiscal year ended **December 31, 2022**

Commission File Number **001-13471**

INSIGNIA SYSTEMS INC/MN

(Exact name of registrant as specified in its charter)

Minnesota

(State or other jurisdiction of incorporation or organization)

41-1656308

(IRS Employer Identification No.)

212 Third Avenue N, Suite 356, Minneapolis, MN 55401

(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:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated Filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

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, 2022) was approximately \$4,692,000 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 7, 2023 was 1,797,659.

EXPLANATORY NOTE

This Amendment No. 1 on Form 10-K/A (this “Amendment”) amends the Annual Report on Form 10-K of Insignia Systems, Inc. for the year ended December 31, 2022 that was originally filed with the Securities and Exchange Commission (the “SEC”) on March 9, 2023 (the “Original Filing”) and is being filed primarily to provide the information required by Items 10, 11, 12, 13, and 14 of Part III. This information was previously omitted from the Original Filing in reliance on General Instruction G(3) to Form 10-K, which permits the information in the above referenced items to be incorporated in the Form 10-K by reference from a definitive proxy statement if such statement is filed no later than 120 days after our fiscal year end. We are filing this Amendment to include Part III information in our Form 10-K because we do not expect to file a definitive proxy statement on or before that date. The reference on the cover of the Original Filing to the incorporation by reference to portions of our definitive proxy statement into Part III of the Original Filing has been deleted. This Amendment does not amend or otherwise update any other information in the Original Filing. Accordingly, this Amendment should be read in conjunction with the Original Filing and with our filings with the SEC made after the Original Filing.

TABLE OF CONTENTS

	<u>Page</u>
<u>PART III.</u>	
<u>Item 10. Directors, Executive Officers and Corporate Governance</u>	3
<u>Item 11. Executive Compensation</u>	6
<u>Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>	10
<u>Item 13. Certain Relationships and Related Transactions and Director Independence</u>	11
<u>Item 14. Principal Accounting Fees and Services</u>	13
<u>PART IV.</u>	
<u>Item 15. Exhibits and Financial Statement Schedules</u>	14
<u>SIGNATURES</u>	15

[Table of Contents](#)

PART III.

Item 10. Directors, Executive Officers and Corporate Governance

Information about our Executive Officers

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

<u>Name</u>	<u>Age</u>	<u>Position</u>
Kristine A. Glancy	45	President, Chief Executive Officer and Secretary
Adam D. May	39	Chief Growth Officer
Randy D. Uglem	45	Senior Vice President of Lending
Zackery A. Weber	44	Vice President of Finance

Kristine A. Glancy has been our President and Chief Executive Officer since 2016, and a member of the Board of Directors since June 2017. She has served in the roles of principal executive officer since 2016 and principal financial officer since January 2021. 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 2013 to 2016. She held the positions of Director of Sales from 2012 to 2013 and National Customer Manager from 2010 to 2012. 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.

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 over 10 years of CPG sales and business development experience at Mars, Incorporated and The Kraft Heinz Company. Most recently Mr. May served as Associate Director from 2016 to July 2017. He held several Customer Business Lead roles from 2012 to 2016. Before joining The Kraft Heinz Company, Mr. May held several Sales positions at Mars Petcare from 2008 to 2012. His 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.

Randy D. Uglem has served as Senior Vice President of Lending since March 2023. Mr. Uglem has over twenty years of experience in credit and lending, most recently as Ag Credit and Lending Director at Air T, Inc. from February 2019 to March 2023. Mr. Uglem spent nearly 13 years at CHS Inc., serving most recently as Credit Director from 2014 to January 2019. Early in his career, he held positions at AgCountry Farm Credit Services and Affinity Plus Credit Union, as well as being involved in his family’s farming operation in North Dakota. Mr. Uglem holds a Bachelor of Science in Agricultural Economics from North Dakota State University.

Zackery A. Weber has served as Vice President of Finance since January 2022. Previously he served as Senior Director of Financial Planning and Analysis from December 2020 to January 2022. He has served in the role of principal accounting officer since January 2021. He served as Director of Financial Planning and Analysis from 2015 to December 2020, and as a Senior Financial Analyst for the Company from 2013 to 2015. Before joining the Company, Mr. Weber held analyst and accounting positions at Target Corporation with increasing responsibility from 2003 to 2013. He began his career as

an auditor at McGladrey & Pullen from 2002 to 2003. Mr. Weber holds a Bachelor of Arts degree in Accounting from the University of St. Thomas and an MBA in Finance & Management, from the University of St. Thomas - Opus College of Business.

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

[Table of Contents](#)

Information about our Directors

As of the date of filing this Form 10-K, our board of directors was comprised of the following individuals:

Director & Nominee	Age	Position	Director Since
Jacob J. Berning	50	Director, Chairman of the Board	2017 ⁽¹⁾
Kristine A. Glancy	45	Director, President, Chief Executive Officer & Secretary	2017
Chad B. Johnson	52	Director	2020
Mark R. Jundt	43	Director	2022 ⁽²⁾
Daniel C. Philp	38	Director	2022 ⁽²⁾
Nicholas J. Swenson	54	Director	2021 ⁽³⁾
Loren A. Unterseher	58	Director	2018

(1) Mr. Berning also served as a director of the Company from December 2014 to June 2016

(2) Mr. Jundt and Mr. Philp were elected as directors in November 2022.

(3) Mr. Swenson also served as a director of the Company from November 2014 to March 2016

Jacob J. Berning has served as Chairman of the Board since May 2018 and has served as President of Food Service at Schwan's Company since September 2018. Prior to that role, Mr. Berning has held several positions since he joined The Schwan Company in 2014. Mr. Berning has extensive leadership experience across a diverse set of businesses and teams in the consumer-packaged goods industry. His more than 20 years of marketing experience working with a variety of different brands also includes time as Marketing Director of WhiteWave Foods Company from July 2011 to September 2014 and Marketing Manager at General Mills, Inc. from September 2003 to July 2011. He has a Bachelor of Arts degree from the University of Minnesota and an MBA from New York University. These experiences provide knowledge and understanding of the industry representing the majority of our customer base.

Kristine A. Glancy has served as our President and Chief Executive Officer since 2016. She has served in the additional role of principal financial officer since January 2021. 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 2013 to 2016. She held the positions of Director of Sales from 2012 to 2013 and National Customer Manager from 2010 to 2012. 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. Her more than 22 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.

Chad B. Johnson is a Senior Director of Marketing of C.H. Robinson Inc., a third-party logistics and supply chain management provider, a position he has held since July 2018. Prior to that role, Mr. Johnson was a Business Unit Director for General Mills Inc., from July 2000 to July 2018. Mr. Johnson has extensive marketing and leadership experience in the consumer-packaged goods industry. He holds a Bachelor of Arts degree in Economics and Chemistry from St. Olaf College and an MBA – Marketing and Finance from the University of Minnesota – Carlson School. These experiences provide knowledge and understanding of the industry representing the majority of our customer base.

Mark R. Jundt has served as General Counsel & Corporate Secretary of Air T, Inc. (Nasdaq: AIRT) since 2018. Prior to that role, Mr. Jundt oversaw the Global Litigation function at CHS Inc., a Fortune 100 grain and energy company. Mr. Jundt has extensive experience in corporate governance, mergers and acquisitions, and litigation. He holds a Bachelor of Business Administration from North Dakota State University and a law degree from Hamline University. Mr. Jundt's experience as the chief legal officer at a public company provides important insight for our board of directors, especially as we continue to explore strategic options.

Daniel C. Philp has served as Senior Vice President of Corporate Development at Air T, Inc. (Nasdaq: AIRT) since 2014. In this role Mr. Philp oversees the investigation of new business lines, acquisition targets and other strategic initiatives for Air T. Prior to that role, Mr. Philp worked as an Event Driven/Special Situations investment analyst/trader for Whitebox Advisors, where he was responsible for generating and evaluating non-market correlated investment opportunities as well as structured convertible PIPE (Private Issuance of Public Equity) transactions. Mr. Philp holds a BA from St. John's University. Mr. Philp's experience with developing and executing transactions provides important insight, especially as the board continues to evaluate strategic options.

[Table of Contents](#)

Nicholas J. Swenson has served as President and Chief Executive Officer of Air T, Inc. (Nasdaq:AIRT) since 2014, having previously served in those roles on an interim basis since 2013. Mr. Swenson is also a private investor and the founder and managing member of Groveland Capital, LLC, an investment management firm, and is also the managing member of AO Partners, LLC, which is the general partner of AO Partners I, L.P., an investment fund. Mr. Swenson has served on the boards of directors of Air T, Inc. since 2013, Pro-Dex, Inc. (Nasdaq: PDEX) since 2012 and Delphax Technologies Inc. (OTC:DLPX) since 2015. He previously served as a portfolio manager and partner of Whitebox Advisers, LLC, an investment management firm. He has a BA in History from Middlebury College and an MBA from the University of Chicago. Mr. Swenson's experience as the chief executive of a public company and the Company's largest investor provide the board with unique insight.

Loren A. Unterseher is the Managing Partner of Oxbow Industries, LLC, a holding company investing primarily in middle-market private companies, which position he has held since 2004. Over his career, Mr. Unterseher has completed over \$2.5 billion in corporate finance transactions. Prior to Oxbow Industries, Mr. Unterseher was a Principal/Shareholder & Director of Mergers and Acquisitions for Craig-Hallum Capital Group. Prior to Craig-Hallum, he was Director of Private Equity for Lazard Middle Market (f/k/a Goldsmith Agio Helms). Mr. Unterseher started his investment banking career as a Vice-President in Mergers and Acquisitions at RBC (f/k/a Dain Rauscher). He began his professional career as an attorney and was a Partner at Stinson Leonard Street (f/k/a Leonard, Street & Deinard), a major Minneapolis based law firm. Mr. Unterseher has served on the board of directors of SkyWater Technology, Inc. (Nasdaq:SKYT) since 2017, and serves on the boards of directors of numerous private and not-for profit entities. He holds a Bachelor of Business Administration degree in Finance from the University of Iowa and a J.D. from the University of North Dakota. We believe Mr. Unterseher's investment, mergers and acquisitions, and finance experience benefit our board of directors in addition to his leadership of its Audit Committee.

Committees of the Board of Directors

The current membership of the Board's standing committees is set forth in the following table.

Director	Audit	Governance, Compensation and Nominating	Independent Director
Jacob J. Berning	Member	Chair	✓
Kristine A. Glancy			
Chad B. Johnson	Member	Member	✓
Mark R. Jundt			✓
Daniel C. Philp			✓
Nicholas J. Swenson	Member	Member	✓
Loren A. Unterseher	Chair	Member	✓

Audit Committee

Independence; Qualifications. Each of the members of the Audit Committee is an "independent director" as that term is defined by the Nasdaq Rules and "independent" as that term is defined by Rule 10A-3(b)(1) under the Securities Exchange Act of 1934. The Board has also determined that Mr. Unterseher has acquired the attributes necessary to qualify him as an "audit committee financial expert," as that term is defined by the rules of the SEC. The determination for Mr. Unterseher was based primarily on experience analyzing and evaluating financial statements and financial performance of companies as Director of Mergers and Acquisitions for Craig-Hallum and in similar roles at Lazard Middle Market and RBC.

Duties and Responsibilities. The Audit Committee provides independent objective oversight of the Company's financial reporting system. As part of its responsibilities, the committee reviews and evaluates significant matters relating to the annual audit and the internal controls of the Company and communicates its analysis with management, reviews the scope and results of annual independent audits by, and the recommendations of, the Company's independent auditors, reviews the independent auditor's qualifications and independence and approves additional services to be provided by the auditors. The committee is solely responsible for appointing, setting the compensation of and evaluating the independent auditors.

In addition, the committee: (i) meets separately with management and the independent auditors on a periodic basis; (ii) receives the independent auditors' report on all critical accounting policies and practices and other written communications; (iii) reviews management's statements concerning its assessment of the effectiveness of internal controls and the independent auditors' report on such statements, as applicable; and (iv) reviews and discusses with management and the independent auditors the Company's interim and annual financial statements and disclosures (including Management's Discussion and Analysis) in its Quarterly Reports on Form 10-Q and Annual Report on Form 10-K and the results of the quarterly financial reviews and the annual audit. The committee has direct access to the Company's independent auditors. The committee also reviews and approves all related-party transactions.

[Table of Contents](#)

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, principal financial officer and principal accounting 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

Named Executive Officers

The following individuals were our only executive officers during fiscal 2022 and are collectively referred to as our "Named Executive Officers" for fiscal 2022:

Name	Position(s)
Kristine A. Glancy	President, Chief Executive Officer, and Secretary
Adam D. May	Chief Growth Officer
Zackery A. Weber	Vice President of Finance

Summary Compensation Table

The following table sets forth information about all compensation (cash and non-cash) awarded to, earned by or paid to our Named Executive Officers) for the fiscal years ended December 31, 2022 and 2021, as applicable.

Name and Position	Year	Salary ⁽¹⁾	Bonus ⁽²⁾	Non-Equity Incentive Plan	All Other Compensation ⁽³⁾	Total
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		Compensation									
Kristine A. Glancy ⁽⁴⁾ <i>President, Chief Executive Officer and Secretary</i>	2022	\$	314,600	\$	200,000	\$	178,752	\$	4,575	\$	697,927
	2021	\$	314,600	\$	–	\$	–	\$	4,350	\$	318,950
Adam D. May <i>Chief Growth Officer</i>	2022	\$	220,000	\$	165,000	\$	147,502	\$	14,655	\$	547,157
	2021	\$	220,000	\$	–	\$	50,000	\$	12,937	\$	282,937
Zackery A. Weber ⁽⁵⁾ <i>Vice President of Finance</i>	2022	\$	158,558	\$	55,000	\$	54,546	\$	3,203	\$	271,307
	2021	\$	145,000	\$	10,000	\$	–	\$	2,325	\$	157,325

- (1) Actual amounts paid, based on the number of payroll periods during the applicable fiscal year.
- (2) Amount shown represents retention bonus arrangements approved by GCN Committee, as referenced below.
- (3) Amounts shown represent employer 401(k) contribution match and, in the case of Mr. May, an annual car allowance.
- (4) Ms. Glancy assumed the role of principal financial officer in January 2021.
- (5) Mr. Weber, then Senior Director of Financial Planning and Analysis, commenced service as an executive officer upon assuming the role of principal accounting officer in January 2021. He was promoted to Vice President of Finance in January 2022.

Fiscal 2022 Executive Compensation

The principal components of compensation for the Named Executive Officers are: (i) base salary; and (ii) non-equity incentive compensation in the form of an annual cash bonus under the Executive Incentive Plan. While no rights to retention bonuses were granted in 2020, retention bonuses from prior commitments were paid in 2022. These components of compensation are summarized below, followed by a description of each Named Executive Officer's individual agreements with the Company and the compensation received thereunder.

In January 2022, the Compensation Committee evaluated the scope of responsibilities and base salaries of our Named Executive Officers and, as a result, increased Mr. Weber's annual base salary to \$160,000 effective January 31, 2022.

[Table of Contents](#)

Executive Incentive Plan

In March 2022, the Board, as recommended by its Governance, Compensation and Nominating Committee (the "GCN Committee"), approved the 2022 Executive Cash Incentive Plan (the "2022 Cash Plan"). Members of the Company's senior management, including all three of the Company's executive officers, Ms. Glancy, Mr. May, and Mr. Weber participated in the 2022 Cash Plan.

The 2022 Cash Plan provided that Ms. Glancy, Mr. May and Mr. Weber were eligible to receive a potential payout based solely on the Company's performance against target operating income/loss, inclusive of all compensation expenses, excluding expenses specific to significant pending litigation, gain from litigation settlement, expense specific to any actions taken in review of strategic alternatives, expense/income coming from changes in the Company's share price, and adjustments to sales tax. The total target cash payments under the 2022 Cash Plan for Ms. Glancy were equal to 50% of her base salary and the potential payouts, if any, ranged from a threshold of 5% to a maximum of 75% her base salary. The total target cash payments under the 2022 Cash Plan for Mr. May were equal to 59% of his base salary and the potential payouts, if any, ranged from a threshold of 6% to a maximum of 89% his base salary. The total target cash payments under the 2022 Cash Plan for Mr. Weber were equal to 30% of his base salary and the potential payouts, if any, ranged from a threshold of 3% to a maximum of 45% his base salary. All bonus calculations under the 2022 Cash Plan were subject to review and final approval by the GCN Committee prior to payment.

Company Performance-Based Payment

For 2022, the GCN Committee established a target operating income and a minimum cash balance, excluding expenses specific to the Company's significant pending litigation, gain from litigation settlement, expense specific to any actions taken in review of strategic alternatives, expense/income coming from changes in the Company's share price, and adjustments to sales tax, and approved the following schedule of potential payments under the Executive Incentive Plan:

Pre-Bonus Income Level	Operating Income (Loss)	Percent of Target Variable Compensation
<(\$3,069,200)	<(\$3,121,000)	0%
(\$3,069,200) – (\$2,576,999)	(\$3,121,000) – (\$3,094,999)	10% – 99.99%
(\$2,577,000) – \$691,999	(\$3,095,000) – (\$84,999)	100% – 149.99%
≥ \$692,000	≥ (\$85,000)	150%

Based on an actual operating income of \$9,606,000 for 2022, as reported in Part II, Item 8, of the Company's Original Filing and adjusted to exclude the expenses specific to the pending litigation, gain from litigation settlement, expense specific to any actions taken in review of strategic alternatives, expense/income coming from changes in the Company's share price, and adjustments to sales tax, the GCN Committee, approved payments representing 113% of target variable compensation, awarding payments of \$178,278 to Ms. Glancy, \$147,337 to Mr. May, and \$54,401 to Mr. Weber.

Retention Bonus Arrangements

In December 2020, the GCN Committee approved a \$50,000 retention bonus opportunity for Mr. May, which was conditioned upon him being continuously employed by the Company through December 31, 2021 and was paid in full in January 2022.

In September 2021, the GCN Committee approved retention bonus opportunities for certain key employees, including Ms. Glancy, Mr. May and Mr. Weber, with potential payouts of \$200,000, \$115,000 and \$55,000, respectively. In order to earn the first 50% of the potential payout, they were required to remain employed by the Company through March 31, 2022. In order to earn the remaining 50%, they were required to remain employed by the Company through September 30, 2022. If their employment with the Company was terminated by them for any reason or by the Company for "Cause" (as defined in the 2018 Plan), on or before December 31, 2022, then they would have been required to repay to the Company all portions of the retention bonus. If their

employment with the Company had ended as a result of Change in Control (as defined in the 2018 Plan) prior to December 31, 2022, then no such repayment would have been required. These 2021 retention bonuses were paid in full in 2022.

In January 2023, the GCN Committee approved an additional \$130,000 retention bonus opportunity for Mr. May and a \$48,000 retention bonus opportunity for Mr. Weber. If earned, by remaining in employment until December 31, 2023, the bonuses will be paid in full in early 2024.

[Table of Contents](#)

The retention bonuses approved in September 2021 and January 2023 were awarded to encourage certain key employees to maintain employment through the Company's strategic alternatives processes that was announced on December 6, 2021.

Actions Relating to Fiscal 2023 Executive Compensation

The non-employee directors, as recommended by the GCN Committee, approved, the 2023 Executive Cash Incentive Plan (the "2023 Cash Plan"). The Company's current Named Executive Officers are the only employees currently eligible to participate in the 2023 Cash Plan. The 2023 Cash Plan provides that each of the participants are eligible to receive a potential payout based solely on the Company's performance against target operating income/loss, inclusive of all compensation expenses, expense specific to any actions taken in review of strategic alternatives, expense/income coming from changes in the Company's share price, and adjustments to sales tax and income tax actuals. The total target cash payment under the 2023 Cash Plan for Ms. Glancy is equal to 50% of her base salary and the potential payout, if any, ranges from a threshold of 5% to a maximum of 75% of her base salary. The total target cash payment under the 2023 Cash Plan for Mr. May is equal to 59% of his base salary and the potential payout, if any, ranges from a threshold of 6% to a maximum of 89% of his base salary. The total target cash payment under the 2023 Cash Plan for Mr. Weber is equal to 30% of his base salary and the potential payout, if any, ranges from a threshold of 3% to a maximum of 45% of his base salary.

Severance and Change in Control Arrangements with Named Executive Officers

The Company is party to Employment Agreements with Ms. Glancy, Mr. May and Mr. Weber and Change in Control Agreements with Ms. Glancy and Mr. May, each in substantially the same form.

Each Employment Agreement provides that the employee will receive an established annual base salary, subject to increase from time to time, target incentive compensation awards, and participation in customary benefit plans and programs. In addition, in the event of the employee's involuntary termination without cause or voluntary termination with good reason, provided that the employee signs a release and agrees to post-termination restrictive covenants, she or he will be eligible to receive accrued and unpaid compensation as well as the following severance pay and benefits: (1) the annual incentive compensation they would have been entitled to receive for the year in which their termination occurs as if they had continued until the end of that fiscal year, determined based on the Company's actual performance for that year relative to any applicable performance goals, prorated for the number of days in the fiscal year through the termination date and generally payable in a cash lump sum at the time such incentive awards are payable to other participants; (2) a percentage (100% for Ms. Glancy; 50% for Mr. May and Mr. Weber) of their annual base salary as in effect at the time of termination, payable in a single lump sum payment no later than 60 days following the termination date; and (3) welfare benefit continuation for four months for Ms. Glancy and for three months for Mr. May and Mr. Weber following termination. In the event of death, disability, involuntary termination for cause or voluntary termination without good reason, each will be entitled to accrued and unpaid compensation as provided in the Employment Agreement.

"Cause" is defined in each Employment Agreement as (a) the deliberate and continued failure to substantially perform the duties and responsibilities; (b) the criminal felony conviction of, or a plea of guilty or nolo contendere; (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 the Employment Agreement by the employee.

Under their respective Change in Control Agreements (as amended), upon a qualifying termination, Ms. Glancy and Mr. May would be eligible to receive the following, provided that he or she signs a release and agrees to post-termination restrictive covenants, subject to offset by the amount of any severance previously paid under any employment agreement with the Company: (1) a lump sum severance payment equal to a percentage (200% for Ms. Glancy; 75% for Mr. May) of their annual base salary, (2) cash lump sum payment equal to the sum of (x) unpaid incentive compensation that has been allocated or awarded to them for a completed fiscal year preceding the date of the qualifying termination which is contingent only upon the continued employment to a subsequent date plus (y) a pro rata portion to the date of the qualifying termination of her target bonus for the year calculated through the date of the qualifying termination, (3) welfare benefit continuation for a specified period (12 months for Ms. Glancy; 6 months for Mr. May), (4) certain post-retirement health care or life insurance benefits if they would have become eligible for such benefits during the 24 months after the date of termination, (5) a lump sum payment equal to all earned but unused paid time off days, and (6) outplacement fees not to exceed \$5,000.

[Table of Contents](#)

Each of the Change in Control Agreements defines "qualifying termination" as a termination by the Company without cause or a termination by the employee with good reason, in each case either concurrent with or within 24 months following a change in control or a termination by the Company without cause within six months prior to a change in control if termination is in connection with or in anticipation of the change in control. "Change in Control" is defined as a sale of all or substantially all of the assets of the Company, a merger in which the shareholders of the Company own less than 50% of the surviving entity, the acquisition of 40% or more of the Company's outstanding stock by a single person or a group, or the election of a majority of the Company's directors who consist of persons who were not nominated by the Company's prior Board. "Cause" is defined in the Change in Control Agreements as (i) the deliberate and continued failure to devote substantially all business time and best efforts to the performance of the his or her duties after demand for substantial performance is delivered to the employee by the Board which the demand specifically identifies the manner in which the employee has not substantially performed such duties; (ii) the deliberate engaging in gross misconduct which is demonstrably and materially injurious to the Company, monetarily or otherwise; or (iii) conviction of, or plea of guilty or nolo contendere to, a felony or any criminal charge involving moral turpitude.

All of the Employment Agreements and Change in Control Agreements define "good reason" to include demotion, reduction in salary or benefits, and certain other events.

Compensation of Non-Employee Directors

The following table summarizes the compensation paid to our non-employee directors for 2022.

Name	Fees Earned or Paid		Stock Awards ⁽²⁾	Total
	Cash ⁽¹⁾			
Jacob J. Berning	\$ 22,000	\$ 15,000	\$ 37,000	
Chad B. Johnson	\$ 17,000	\$ 15,000	\$ 32,000	
Mark R. Jundt ⁽³⁾	\$ 1,417	–	\$ 1,417	
Daniel C. Philp ⁽³⁾	\$ 1,417	–	\$ 1,417	
Nicholas J. Swenson ⁽⁴⁾	\$ 7,083	–	\$ 7,083	
Loren A. Unterseher	\$ 22,000	\$ 15,000	\$ 37,000	

(1) Reflects annual board retainer and fees for attending Board, committee and conference call meetings earned during 2022 inclusive of amounts related to the Director Deferred Compensation Plan for Director. As of December 31, 2022, the following director held shares under the plan: Mr. Berning held 10,287 shares, Mr. Johnson held 4,155 shares, and Mr. Unterseher held 8,295 shares.

(2) On August 4, 2022, each non-employee director received restricted stock unit grants pursuant to the 2018 Equity Incentive Plan (the “2018 Plan”) worth \$15,000 based on the closing price of the Company’s common stock on the date of grant. As of December 31, 2022, Jacob Berning, Chad Johnson and Loren Unterseher each held 1,562 restricted stock units.

(3) Mr. Jundt and Mr. Philp were elected to the Board on November 25, 2022.

(4) Mr. Swenson did began earning cash compensation in August 2022.

In 2022, non-employee directors received an annual cash retainer of \$17,000 per year of service and the Chairman of the Board and each Committee Chair were eligible to receive an additional annual cash retainer of \$5,000.

In 2022, Jacob Berning, Chad Johnson and Loren Unterseher, each a non-employee director, received a restricted stock unit grant of shares of common stock based on a target grant date fair value of \$15,000. These restricted stock grants were made on August 4, 2022 pursuant to the 2018 Plan. Each non-employee director was granted 1,562 restricted stock units, which amount was based on a closing price of \$9.60 for a share of the Company’s common stock on the date of grant as reported by The Nasdaq Stock Market. Each restricted stock unit is scheduled to vest and settle in a share of common stock on the earlier of (i) August 4, 2023 and (ii) the day before the next annual meeting of shareholders.

Director Deferred Compensation

Jacob Berning, Chad Johnson, Mark Jundt, Daniel Philp, Nicholas Swenson and Loren Unterseher, each a non-employee director are eligible to participate in our director deferred compensation plan (the “Director Deferred Compensation Plan”), which allows a director to make voluntary deferrals of up to 100% of their annual cash retainer and any additional committee chair cash retainer. The Company does not match any contributions to the Director Deferred Compensation Plan. Deferred cash retainer amounts, if any, are deemed to be invested in common stock equivalents having a value equal to the deferred cash retainer amounts based on the fair market value of a share of our common stock on the dates such amount would have otherwise been paid to the participant. Dividends, if any, accrued on such common stock equivalents are deemed to be similarly deferred and credited to the director’s deferred stock account. A participating director will receive a distribution of their deferred stock account, consisting of one share of stock for each common stock equivalent credited to their deferred stock account as of the date of distribution, as soon as practicable following the director’s separation from service as a director of the Company.

[Table of Contents](#)

Outstanding Equity Awards at Fiscal Year End

The following table sets forth summary information regarding the outstanding equity awards held by our Named Executive Officers at December 31, 2022. The market value of restricted stock units that had not vested equals \$7.81, which was the closing price of a share of our common stock on that date.

Name	Grant Date	Option Awards			Option Expiration Date
		Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable	Option Exercise Price	
Kristine A. Glancy	8/10/2018	7,712		\$ 13.65	8/10/2028
Adam A. May	8/10/2018	1,938		\$ 13.65	8/10/2028
Zackery A. Weber	5/21/2014	1,463		\$ 15.54	5/21/2024

Tax and Accounting Considerations

Section 409A of the Internal Revenue Code also affects the payments of certain types of deferred compensation to key employees and includes requirements relating to when payments under such arrangements can be made, acceleration of benefits, and timing of elections under such arrangements. Failure to satisfy these requirements will generally lead to an acceleration of the timing for including deferred compensation in an employee's income, as well as certain penalties and interest.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**Equity Compensation Plan Information**

The following table presents certain information regarding our equity compensation plans, the 2013 Omnibus Stock and Incentive Plan (the “2013 Plan”), the 2018 Plan and our Employee Stock Purchase Plan, as of December 31, 2022.

PLAN CATEGORY	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans
Equity compensation plans approved by security holders	20,334 ⁽¹⁾	\$ 14.17	115,773 ⁽²⁾
Equity compensation plans not approved by security holders	—	—	—
Total	27,993	\$ 14.17	115,773

(1) Includes 16,433 awards under the 2018 Plan and 3,901 awards under the 2013 Plan. We ceased issuing awards under the 2013 Plan upon approval of the 2018 Plan in 2018.

(2) Includes 23,283 shares available for issuance under our Employee Stock Purchase Plan and 92,490 shares available for issuance pursuant to future awards under the 2018 Plan. The Company maintains the Employee Stock Purchase Plan, pursuant to which eligible employees, including named executive officers, can contribute up to ten percent of their base pay per year to purchase shares of Common Stock. The shares are issued by the Company at a price per share equal to 85% of market value on the first day of the offering period or the last day of the plan year, whichever is lower.

[Table of Contents](#)**Security Ownership of Certain Beneficial Owners and Management**

The following table presents information provided to the Company as to the beneficial ownership of common stock as of April 27, 2023, by: (i) persons known to the Company to hold 5% or more of such stock; (ii) each of the directors and nominees of the Company; (iii) each of the Named Executive Officers; and (iv) all directors, nominees and current executive officers as a group. The address of each director and executive officer is 212 Third Avenue N, Suite 356, Minneapolis, Minnesota 55401. Beneficial ownership includes shares available for purchase under options and subject to settlement under restricted stock units within 60 days after April 3, 2023. Unless otherwise indicated, each person had sole voting power and sole investment power for all such shares beneficially held.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership ⁽¹⁾	Percent of Shares
Directors, Nominees and Named Executive Officers		
Kristine A. Glancy	44,463	2.5%
Adam D. May	16,228	*
Jacob J. Berning	14,961	*
Zackery A. Weber	9,693	*
Chad B. Johnson	5,900	*
Nicholas J. Swenson	212,894 ⁽²⁾	11.8%
Loren A. Unterseher	11,811	*
Mark R. Jundt	—	—
Daniel C. Philp	—	—
All current directors, nominees and executive officers as a group (10 persons)	315,950 ⁽²⁾	17.6%
Significant Shareholders		
Air T, Inc., et al. (the “Shareholder Group”) 5930 Balsom Ridge Road Denver, NC 28037	699,713 ⁽³⁾	38.9%
David E. Lazar Villa 1, 14-43 rd Street, Jumeirah 2 Dubai, United Arab Emirates	174,355 ⁽⁴⁾	9.7%

* Less than one percent.

(1) Does not include 10,287, 4,155 and 8,295 common stock equivalents held by Mr. Berning, Mr. Johnson and Mr. Unterseher, respectively, under the Insignia Systems Inc. Deferred Compensation Plan for Directors. These common stock equivalents carry no voting rights and the recipient does not have the right to acquire any underlying shares within 60 days of April 3, 2023.

(2) Includes 139,444 shares held indirectly through AO Partners I, L.P. (“AO Partners Fund”); 60,284 shares held indirectly through Groveland Capital LLC (“Groveland Capital”), and 11,428 shares held by Glenhurst Co. (“Glenhurst”). Mr. Swenson is the Managing Member of Groveland Capital and may direct Groveland Capital as to the vote and disposition of the shares it holds. Mr. Swenson is the Managing Member of AO Partners LLC (“AO Partners”), which is the General Partner of AO Partners Fund, and has the power to direct the affairs of AO Partners Fund, including the voting and disposition of shares held in the name of AO Partners Fund. Mr. Swenson is the sole owner of Glenhurst, and he has the power to direct the affairs of Glenhurst, including the voting and disposition of shares held by Glenhurst.

(3) Includes all shares reported as beneficially owned by Mr. Swenson above. Remaining shares based on Amendment No. 16 to Schedule 13D filed with the SEC on October 15, 2021 by Air T, Inc., Groveland Capital, AO Partners Fund, AO Partners, Glenhurst, and Mr. Swenson, reporting

ownership as of October 14, 2021. Mr. Swenson is the Chief Executive Officer and a director of Air T, Inc., which reported having sole dispositive and voting power over 486,8192 shares and disclaims beneficial ownership of the securities held by Groveland, AO Partners Fund, AO Partners, Glenhurst and Mr. Swenson. Mr. Swenson disclaims beneficial ownership of the securities held by Air T, Inc. Shares, if any, held by the Shareholder Group as of the record date for the Annual Meeting in excess of the limitations established by the Minnesota Control Share Acquisition Act, Section 302A.671 of the Minnesota Statutes, may be subject to voting restrictions.

- (4) Based on Amendment No. 2 to Schedule 13D filed with the SEC on December 7, 2022 reporting beneficial ownership as of December 5, 2022.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Certain Relationships and Related-Party Transactions

The following is a summary of transactions since January 1, 2020 to which our Company has been a party and in which the amount involved exceeded \$120,000, and in which any of our directors, executive officers, or beneficial owners of more than 10% of our capital stock had or will have a direct or indirect material interest, other than the compensation arrangements that are described under the heading “Executive Compensation” above. Except as disclosed below, there were no other such transactions and we do not have any currently proposed transaction or series of similar transactions.

[Table of Contents](#)

Cooperation Agreement

The Company is party to a cooperation agreement (the “Cooperation Agreement”) with a group of shareholders consisting of Mr. Swenson, Air T, Inc., Groveland Capital LLC, AO Partners I, L.P., AO Partners LLC, and Glenhurst Co. (the “Shareholder Group”) dated October 11, 2021. On the same date, the Shareholder Group beneficially owned approximately 39.6% of the Company’s outstanding common stock. Pursuant to the Agreement, the Board increased its size to five and elected Mr. Swenson to fill the resulting vacancy, effective as of the same date. Subject to the Shareholder Group continuing to beneficially own at least 10% of the Company’s outstanding common stock, during the Standstill Period (defined below) the Shareholder Group (i) has the right to name a replacement if Mr. Swenson ceases to serve as a member of the Board (together with Mr. Swenson, the “Air T Nominee”) and (ii) must approve any person identified by the Board or its Governance, Compensation and Nominating Committee to fill the first vacancy created by the departure of any other current director. The Company also agreed to include the Air T Nominee with its director nominees for election at the Annual Meeting. The Shareholder Group has agreed to, among other things, ensure all shares beneficially owned are present and voted at the Annual Meeting in favor of the Company’s director nominees and to abide by customary standstill provisions through the conclusion of the Annual Meeting (the “Standstill Period”).

Prior Cooperation Agreement

The Company was party to a cooperation agreement, dated May 17, 2018 (the “Prior Agreement”), with members of the Shareholder Group, pursuant to which the Company (i) increased the size of the Board to six and (ii) appointed two persons, one of which was Mr. Unterseher to serve as additional directors. The Prior Agreement resulted in Air T’s withdrawal of its prior nomination of five director candidates. It also required the Company to include Air T’s nominees in its slate of nominees for election at the Company’s 2018 and 2019 Annual Meetings of Shareholders and to solicit proxies with a recommendation that shareholders vote in favor of their election at each such meeting. Also pursuant to the Prior Agreement, a former director retired from the Board and all committees and a second former director retired from the Board the following year.

With respect to the annual meetings held in 2018 and 2019, the Shareholder Group agreed to, among other things, vote in favor of the Company’s director nominees and in accordance with the Board’s recommendation on all other proposals. The Shareholder Group also agreed to certain customary standstill provisions, effective as of the date of the Prior Agreement through 60 days prior to the expiration of the applicable notice period specified in the Company’s Bylaws related to the nominations of directors at its 2020 annual meeting of shareholders.

In February 2020 our Board appointed Mr. Johnson to serve as an additional director to fill a vacancy on the Board created by the resignation of a former Air T nominee pursuant to the nomination and evaluation procedures for substitute nominees set forth in the Prior Agreement. The Prior Agreement expired on its terms 60 days prior to the nomination deadline for our 2020 annual meeting of shareholders.

Related Person Transaction Approval Policy

The SEC has specific disclosure requirements covering certain types of transactions that we engage in with our directors, executive officers or other specified parties. The Company receives an informational questionnaire from each director, nominee for director, executive officer, and greater than five percent shareholder which contains information about related-party transactions between them and the Company. The Company’s Audit Committee Charter assigns to the Audit Committee the responsibility to review and approve all related-party transactions. The Audit Committee reviews each related-party transaction to determine that it is fair and reasonable to the Company, and that the price and other terms included in any transaction are comparable to the terms that would be included in an arms-length transaction between the Company and an unrelated third party.

Corporate Governance and Board Matters

The business and affairs of the Company are conducted under the direction of the Board in accordance with the Company’s Articles of Incorporation and Bylaws, the Minnesota Business Corporations Act, federal securities laws and regulations, applicable rules of the Nasdaq Stock Market (“Nasdaq Rules”), Board committee charters and the Company’s Code of Ethics. Members of the Board are informed of the Company’s business through discussions with management, by reviewing Board meeting materials provided to them and by participating in meetings of the Board and its committees, among other activities.

Majority Independent Board

The Nasdaq Rules require that a majority of our Board be “independent directors” as that term is defined in the Nasdaq Rules. Our Board has determined that each of our non-employee directors, namely Jacob Berning, Chad Johnson, Mark Jundt, Daniel Philp, Nick Swenson and Loren Unterseher, are “independent directors.” The Governance, Compensation and Nominating Committee and the Board considered Mr. Swenson’s inclusion in the Shareholder Group, Mr. Jundt’s employment with Air T, Inc., and Mr. Philp’s role as an independent contractor to Air T, Inc. in reaching the conclusion that each is an independent director.

[Table of Contents](#)**Item 14. Principal Accounting Fees and Services****Fees Paid to Independent Registered Public Accounting Firm**

The following table shows the fees for services rendered by Baker Tilly US, LLP, Minneapolis, MN, (PCAOB ID 23) for the years ended December 31, 2022 and 2021.

	2022	2021
Audit Fees ⁽¹⁾	\$ 168,000	\$ 195,000
Total	<u>\$ 168,000</u>	<u>\$ 195,000</u>

(1) Audit Fees represent fees for professional services provided in connection with the audit of the Company's financial statements and review of quarterly financial statements.

Audit Committee Pre-Approval Policy

The Company's Audit Committee Charter states that before the principal accountant is engaged by the Company to render audit or non-audit services in any year, the engagement will be approved by the Company's Audit Committee. All of the fees paid in 2022 and 2021 were pre-approved by the Company's Audit Committee.

[Table of Contents](#)**PART IV.****Item 15. Exhibits and Financial Statement Schedules**

(b) Exhibits

Exhibit Number	Description
+31	Certification of Principal Executive and Financial Officer pursuant to Section 302 of the Sarbanes Oxley Act of 2002
+104	Cover Page Interactive Data File (the cover page XBRL tags are embedded in the inline XBRL document)
+ Filed herewith.	

[Table of Contents](#)**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.

Dated: April 28, 2023

Insignia Systems, Inc.

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

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
AND PRINCIPAL FINANCIAL OFFICER**

I, Kristine A. Glancy, certify that:

1. I have reviewed this Amendment No.1 to Annual Report on Form 10-K for the fiscal year ended December 31, 2022, 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 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 to 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; and
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: April 28, 2023

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