## Form **8937**

(December 2017)
Department of the Treasury
Internal Revenue Service

## Report of Organizational Actions Affecting Basis of Securities

► See separate instructions.

OMB No. 1545-0123

Part I Reporting Issuer								
1 Issuer's name		2 Issuer's employer identification number (EIN)						
INSIGNIA SYSTEMS, INC.	I'll and I to Comment and	41-1656308						
3 Name of contact for add	ditional information	5 Email address of contact						
Zack Weber		zack.weber@insigniasystems.com						
6 Number and street (or F	P.O. box if mail is not	7 City, town, or post office, state, and ZIP code of contact						
(			,					
8799 Brooklyn Boulevard		Minneapolis, Minnesota 55445						
8 Date of action								
December 31, 2020			Stock Split	-				
10 CUSIP number	11 Serial number(	s)	12 Ticker symbol	13 Account number(s)				
455057405			1010					
45765Y105 Part II Organization	nal Action Attac	ch additional	statements if needed	See back of form for additional questions.				
				date against which shareholders' ownership is measured for				
				effected a 7-for-1 reverse stock split of its common shares				
				y's issued and outstanding common stock were				
				No fractional shares were issued and shareholders				
who would have received	a fractional share re	eceived cash	in lieu of such fractional	share.				
<b></b>								
15 Describe the quantitat	ive effect of the orga	anizational act	ion on the basis of the sec	urity in the hands of a U.S. taxpayer as an adjustment per				
share or as a percenta	age of old basis ► A	shareholder'	s tax basis in one share	of the Company's common stock will generally equal				
seven times the tax basis such shareholder had in one share of the Company's common stock before the reverse stock split.								
16 Describe the calculation	on of the change in b	asis and the	data that supports the calc	ulation, such as the market values of securities and the				
valuation dates ► <u>See</u>	item 15 above							

Part I		Organizational Action (continu	ied)		
17 Lis			ction(s) and subsection(s) upon which the ta	x treatment is based ▶	IRC 354, 358 and 368
Part and the second					
The second secon					
Description Transcription					
-					
	1	2 6 4			
<b>18</b> Ca	an any	resulting loss be recognized? ► The	e 7-for-1 reverse stock split is intended to	o be treated as a recap	pitalization for United States
federal	incom	e tax purposes. Therefore, except	with respect to cash received in lieu of fr	actional shares as de	scribed below,
a share	holder	will not recognize any gain or loss	for U.S. Federal Income Tax purposes u	pon the combination	of pre-reverse stock split share
into pos	st-reve	erse stock split shares pursuant to	the reverse stock split.		
In gener	ral, a s	shareholder who receives cash pay	ment in lieu of a fractional share will reco	ognize capital gain or	loss equal to the difference
between	the a	amount of cash received in lieu of the	ne fractional share and the portion of the	holder's tax basis of	the pre-reverse stock split
shares	that is	allocable to the fractional share. S	uch gain loss generally will be long-term	capital gain or loss if	the shareholder's holding
period i	n its p	re-reverse stock split shares is mo	re than one year as of the reverse stock	split date. The deduct	ibility of capital losses is
		itations.		•	
<b>19</b> Pr	ovide	any other information necessary to im	plement the adjustment, such as the report	table tax vear ▶ The re	nortable tax year is 2020 for
		•	ting income on a period other than the ca	-	
		tax year that ends on or includes [		diction your, the repo	rtubic year is generally the
Sharenc	nuel 5	tax year that ends on or includes i	Secember 31, 2020.	The same of the sa	
				·	
	Under	penalties of perjury, I declare that I have	examined this return, including accompanying so on of preparer (other than officer) is based on all ir	chedules and statements,	and to the best of my knowledge and
	Dellei,	it is true, correct, and complete. Declarate	of of preparer (other than officer) is based on an in	normation of which propa	ci nas any knowledge.
Sign				- / -	. /
Here	Signat	ture •	7	Date ► <i>2/3</i>	3/2021
	Print y	our name ► Kristine A. Glancy		Title ▶ President	and Chief Executive Officer
Paid		Print/Type preparer's name	Preparer's signature	Date	Check   if   PTIN
Prepa	ror				self-employed
Use C		Firm's name ▶	-		Firm's EIN ▶
use C	ıııy	Firm's address ▶			Phone no.
Send Fo	rm 893		nts) to: Department of the Treasury, Internal	Revenue Service, Ogd	
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