

COMMUNICATIONS SYSTEMS INC
Form SC 13G/A
February 13, 2007

**UNITED STATES
SECURITIES AND EXCHANGE
COMMISSION**
Washington, D.C. 20549
SCHEDULE 13G

**Under the Securities Exchange Act of 1934
(Amendment No. 7)***

Communications Systems, Inc.

(Name of Issuer)

Common Stock, \$.05 Par Value

(Title of Class of Securities)

203900 10 5

(CUSIP Number)

December 31, 2006

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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CUSIP No. 203900 10 5

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)
Paul N. Hanson
Not Applicable
2. Check the Appropriate Box if a Member of a Group (See Instructions)
(a)
(b)
3. SEC Use Only
4. Citizenship or Place of Organization
United States of America
5. Sole Voting Power
130,931.01
6. Shared Voting Power
1,411
7. Sole Dispositive Power
130,931.01
8. Shared Dispositive Power
1,411
9. Aggregate Amount Beneficially Owned by Each Reporting Person
132,342.01
10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)
11. Percent of Class Represented by Amount in Row (9)
1.51%
12. Type of Reporting Person (See Instructions)
IN

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Item 1.

- (a) Name of Issuer
Communications Systems, Inc.
- (b) Address of Issuer's Principal Executive Offices
213 South Main Street

Hector, Minnesota 55342

Item 2.

- (a) Name of Person Filing
Paul N. Hanson
- (b) Address of Principal Business Office or, if none, Residence
213 South Main Street

Hector, Minnesota 55342
- (c) Citizenship
Minnesota
- (d) Title of Class of Securities
Common Stock
- (e) CUSIP Number
203900 10 5

Item 3.

- If this statement is filed pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:
- (a) Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).
 - (b) Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).
 - (c) Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).
 - (d) Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C 80a-8).
 - (e) An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E);
 - (f) An employee benefit plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F);
 - (g) A parent holding company or control person in accordance with § 240.13d-1(b)(1)(ii)(G);
 - (h) A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
 - (i) A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
 - (j) Group, in accordance with §240.13d-1(b)(1)(ii)(J).

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Item 4. Ownership

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

(a) Amount beneficially owned:

Mr. Hanson beneficially owns 132,342.01 shares of the outstanding common stock of the Issuer, which includes: (i) 76,433 shares of common stock owned by Mr. Hanson individually; (ii) options held by Mr. Hanson and exercisable within 60 days of December 31, 2006 to purchase 40,000 shares of common stock; (iii) 14,498.01 shares of the Issuer held by Mr. Hanson through the Communications Systems, Inc. Employee Stock Ownership Plan (CSI ESOP); and (iv) 1,411 shares owned by Mr. Hanson's spouse. Mr. Hanson is a trustee of the CSI ESOP. As of December 31, 2006, the CSI ESOP held 434,522 shares of the Issuer. Mr. Hanson disclaims any beneficial ownership of the shares of the Issuer owned by his spouse and disclaims beneficial ownership of any shares of the Issuer held by the CSI ESOP in excess of the shares allocated to his CSI ESOP account, which totaled 14,498.01 shares.

(b) Percent of class:

1.51% based on 8,723,469 shares of the Issuer's common stock outstanding (on average) for the three month period ending September 30, 2006 as reported in the Issuer's Form 8-K filed January 16, 2007 and including all 132,342.01 shares that could be deemed to be beneficially owned by Mr. Hanson. If all shares held by the CSI ESOP allocated to accounts other than that of Mr. Hanson were included in the number of shares beneficially owned by Mr. Hanson, Mr. Hanson would hold 552,366 shares of the Issuer, or 6.30% based on 8,723,469 shares of the Issuer's common stock outstanding (on average) for the three month period ending September 30, 2006 as reported in the Issuer's Form 8-K filed January 16, 2007.

(c) Number of shares as to which the person has:

(i) Sole power to vote or to direct the vote

Sole power to vote or direct the vote: 130,931.01 (includes options held by Mr. Hanson exercisable within 60 days of December 31, 2006 to purchase 40,000 shares of common stock).

(ii) Shared power to vote or to direct the vote

Shared power to vote or direct the vote: 1,411 (does not include an aggregate of 420,023.99 shares of the Issuer held by the CSI ESOP and allocated to accounts other than that of Mr. Hanson)

(iii) Sole power to dispose or to direct the disposition of

Sole power to dispose or direct the disposition of: 130,931.01 (includes options held by Mr. Hanson exercisable within 60 days of December 31, 2006 to purchase 40,000 shares of common stock)

(iv) Shared power to dispose or to direct the disposition of

Shared power to dispose or direct the disposition of: 1,411 (does not include an aggregate of 420,023.99 shares of the Issuer held by the CSI ESOP and allocated to accounts other than that of Mr. Hanson)

Item 5. Ownership of Five Percent or Less of a Class

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following .

Item 6. Ownership of More than Five Percent on Behalf of Another Person

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Not Applicable

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company or Control Person

Not Applicable

Item 8. Identification and Classification of Members of the Group

Not Applicable

Item 9. Notice of Dissolution of Group

Not Applicable

Item 10. Certification

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

February 12, 2007
Date

/s/ Paul N. Hanson
Signature

Paul N. Hanson
Name/Title

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