

INSIGNIA SYSTEMS INC/MN
Form 10-Q
November 06, 2017

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

FORM 10-Q

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

for the quarterly period ended September 30, 2017

or

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

for the transition period from _____ to _____

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) (I.R.S. 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)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an 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. (Check one):

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Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) 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

Number of shares outstanding of Common Stock, \$.01 par value, as of October 31, 2017 was 11,914,676.

Insignia Systems, Inc.

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Item 1. Financial Statements

Insignia Systems, Inc.

CONDENSED BALANCE SHEETS

	September 30, 2017 (Unaudited)	December 31, 2016
ASSETS		
Current Assets:		
Cash and cash equivalents	\$3,375,000	\$12,267,000
Accounts receivable, net	11,903,000	9,879,000
Inventories	326,000	325,000
Income tax receivable	420,000	775,000
Prepaid expenses and other	497,000	689,000
Total Current Assets	16,521,000	23,935,000
Other Assets:		
Property and equipment, net	2,713,000	2,430,000
Other, net	1,516,000	1,863,000
Total Assets	\$20,750,000	\$28,228,000
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable:		
Cash dividend declared (\$0.70 per share)	\$—	\$8,233,000
Other	3,478,000	2,530,000
Accrued liabilities:		

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Compensation	1,058,000	762,000
Other	621,000	498,000
Deferred revenue	648,000	62,000
Total Current Liabilities	\$5,805,000	\$12,085,000

Long-Term Liabilities:

Deferred tax liabilities	—	205,000
Accrued income taxes	574,000	554,000
Deferred rent	233,000	275,000
Total Long-Term Liabilities	\$807,000	\$1,034,000

Commitments and Contingencies

—

Shareholders' Equity:

Common stock, par value \$.01:

Authorized shares - 40,000,000

Issued and outstanding shares -

11,903,946 at September 30,

2017 and 11,760,817,000

at December 31, 2016

118,000

117,000

Additional paid-in capital

15,294,000

14,992,000

Accumulated deficit

(1,274,000)

—

Total Shareholders' Equity

14,138,000

15,109,000

Total Liabilities and Shareholders' Equity

\$20,750,000

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 acquired and are held in the ordinary course of business and 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.

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.

Dated this 16th day of February, 2010

AMERICAN CENTURY COMPANIES, INC. ("ACC")

AMERICAN CENTURY INVESTMENT MANAGEMENT, INC. ("ACIM")

By: /s/ Charles A. Etherington
Charles A. Etherington
Senior Vice President, ACIM
Vice President, ACC

JAMES E. STOWERS TWENTIETH CENTURY COMPANIES, INC.
STOCK TRUST

By: /s/ Richard W. Brown
Richard W. Brown
Trustee

SCHEDULE 13G – To be included in statements filed pursuant to Rule 13d-1(b) or 13d-2(b).

EXHIBIT A

This Exhibit has been prepared to identify each subsidiary of American Century Companies, Inc. ("ACC"), which is controlled by Richard W. Brown, as Trustee of the James E. Stowers Twentieth Century Companies, Inc. Stock Trust, that is a beneficial owner of securities that are the subject of this schedule (the "Subject Securities"). American Century Investment Management, Inc. ("ACIM") is a wholly-owned subsidiary of ACC and an investment adviser registered under §203 of the Investment Advisers Act of 1940.

SCHEDULE 13G – To be included in statements filed pursuant to Rule 13d-1(b) or 13d-2(b) and Rule 13d-1(f) (1) Agreement.

EXHIBIT B

Each of the undersigned hereby agrees and consents to the execution and joint filing on its behalf by American Century Investment Management, Inc. of this Schedule 13G respecting the beneficial ownership of the securities which are the subject of this schedule.

Dated this 16th day of February, 2010.

AMERICAN CENTURY COMPANIES, INC. (“ACC”)

AMERICAN CENTURY INVESTMENT MANAGEMENT, INC. (“ACIM”)

By: /s/ Charles A. Etherington
Charles A. Etherington
Senior Vice President, ACIM and ACCP
Vice President, ACC

JAMES E. STOWERS TWENTIETH CENTURY COMPANIES, INC.
STOCK TRUST

By: /s/ Richard W. Brown
Richard W. Brown
Trustee

EXHIBIT C

EXCERPTS FROM THE
FIFTH AMENDMENT TO AND COMPLETE RESTATEMENT
OF JAMES E. STOWERS TWENTIETH CENTURY COMPANIES, INC. STOCK TRUST AGREEMENT

Pursuant to the right reserved to Settlor to amend the James E. Stowers Twentieth Century Companies, Inc. Stock Trust Agreement dated January 13, 1995, as amended and restated by First Amended and Restated James E. Stowers Twentieth Century Companies, Inc. Stock Trust Agreement dated November 7, 2000, by Second Amended and Restated James E. Stowers Twentieth Century Companies, Inc. Stock Trust Agreement dated June 26, 2001, by Third Amended and Restated James E. Stowers Twentieth Century Companies, Inc. Stock Trust Agreement dated December 23, 2002, and by Fourth Amended and Restated James E. Stowers Twentieth Century Companies, Inc. Stock Trust Agreement dated March 17, 2005, JAMES E. STOWERS, a citizen of the United States, currently residing in Missouri, as Settlor, hereby further amends and restates said Trust Instrument in its entirety, and directs that the property previously transferred and delivered to himself, as Trustee, shall hereafter be held, administered and distributed by the Trustee and his successors (hereinafter referred to as the “Trustees”), together with any other property that might hereafter be transferred to the Trustees, IN TRUST, on the following terms and conditions.

7. Trustee Powers

With respect to each trust created hereunder, the Trustees thereof shall have the following powers in addition to the powers otherwise granted by common law or statute.

7.1 Powers Relating to Investments

(d) Exercise of Securities Rights.

The Trustees may exercise all options and all conversion, subscription, voting and other rights of whatever nature held by or pertaining to any property, including securities of the corporate Trustee or any affiliate thereof, held as a part of the Trust Estate. With respect to any securities held as an asset of the Trust Estate, the Trustees are authorized to participate in and request the filing of any registration statement or other application, return or report that might be required or authorized by local, state or Federal regulations, or that is, in the judgment of the Trustees, in the best interest of the Trust Estate and, in connection with any such filing, the Trustees may, in their discretion, give indemnification to any individual, corporation or other entity, pay underwriting costs and other expenses, insure against risk, execute instruments, and do such other acts as the Trustees deem necessary or desirable.

EXHIBIT D

BRYAN CAVE

B. John Readey, III
Partner
Direct: 816-391-7633
bready@bryancave.com

February 16, 2010

To Whom It May Concern:

Re: The James E. Stowers Twentieth Century Companies, Inc. Stock Trust Agreement

To Whom It May Concern:

I am counsel to the above-referenced Trust. James E. Stowers, Jr. was the initial Trustee of the Trust and has been continuously serving in that capacity. The purpose of this letter is to confirm that, pursuant to Section 6.1 of the Trust Agreement, Richard W. Brown has succeeded Mr. Stowers as the sole Trustee of the Trust, effective this date.

Please advise if you have any questions concerning the foregoing.

Very truly yours,

/s/ B. John Readey, III
B. John Readey, III

BJR:sf/987710 (N002634)

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