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INSIGNIA SYSTEMS INC/MN
Form SC 13G
December 08, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 13G
(RULE 13D-102)

OMB APPROVAL
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3235-0145
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response. . 11

INFORMATION STATEMENT PURSUANT TO RULES 13D-1 AND 13D-2
UNDER THE SECURITIES EXCHANGE ACT OF 1934

INSIGNIA SYSTEMS, INC.
(Name of Issuer)

COMMON STOCK
(Title of Class of Securities)

45765Y105
(CUSIP Number)

DECEMBER 3, 2004
(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 information required on 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).

CUSIP NO. 45765Y105

1. NAMES OF REPORTING PERSONS. I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Potomac Capital Management LLC
13-3984298

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

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New York

- NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH
- 5. SOLE VOTING POWER
0
 - 6. SHARED VOTING POWER
1,019,700 shares of Common Stock
 - 7. SOLE DISPOSITIVE POWER
0
 - 8. SHARED DISPOSITIVE POWER
1,019,700 shares of Common Stock
9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
1,019,700 shares of Common Stock
10. CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) []
11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)
6.8%
12. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)
HC; OO (Limited Liability Corporation)

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CUSIP NO. 45765Y105

- 1. NAMES OF REPORTING PERSONS. I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Potomac Capital Management Inc.
13-3984786
- 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

New York

- NUMBER OF SHARES BENEFICIALLY OWNED BY
- 5. SOLE VOTING POWER
0
 - 6. SHARED VOTING POWER

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EACH REPORTING PERSON WITH 1,019,700 shares of Common Stock

7. SOLE DISPOSITIVE POWER
0

8. SHARED DISPOSITIVE POWER
1,019,700 shares of Common Stock

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
1,019,700 shares of Common Stock

10. CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES
(SEE INSTRUCTIONS) []

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)
6.8%

12. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)
HC; CO

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CUSIP NO. 45765Y105

1. NAMES OF REPORTING PERSONS. I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)
Paul J. Solit

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
U.S.

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

5. SOLE VOTING POWER
0

6. SHARED VOTING POWER
1,019,700 shares of Common Stock

7. SOLE DISPOSITIVE POWER
0

8. SHARED DISPOSITIVE POWER
1,019,700 shares of Common Stock

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

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1,019,700 shares of Common Stock

10. CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES
(SEE INSTRUCTIONS) []
11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)
- 6.8%
12. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)
- IN; HC

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ITEM 1.

- (A) NAME OF ISSUER
- Insignia Systems, Inc.
- (B) ADDRESS OF ISSUER'S PRINCIPAL EXECUTIVE OFFICES
- 6470 Sycamore Court North
Maple Grove, MN 55367

ITEM 2.

- (A) NAME OF PERSON FILING
- This statement is being filed by (i) Potomac Capital Management LLC; (ii) Potomac Capital Management Inc.; and (iii) Paul J. Solit
- (B) ADDRESS OF PRINCIPAL BUSINESS OFFICE OR, IF NONE, RESIDENCE
- (i), (ii), and (iii)
- 153 E. 53rd Street,
26th Floor
New York, New York 10022
- (C) CITIZENSHIP
- (i) New York
(ii) New York
(iii) U.S.
- (D) TITLE OF CLASS OF SECURITIES
- Common Stock, par value \$0.01 per share
- (E) CUSIP NUMBER
- 45765Y105

ITEM 3. Not Applicable

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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.

Potomac Capital Management LLC
Potomac Capital Management Inc.
Paul J. Solit

- (A) AMOUNT BENEFICIALLY OWNED: 1,019,700 shares of Common Stock
- (B) PERCENT OF CLASS: 6.8%
- (C) NUMBER OF SHARES AS TO WHICH THE PERSON HAS:

- (i) SOLE POWER TO VOTE OR TO DIRECT THE VOTE 0
- (ii) SHARED POWER TO VOTE OR TO DIRECT THE VOTE 1,019,700 shares of Common Stock.
- (iii) SOLE POWER TO DISPOSE OR TO DIRECT THE DISPOSITION OF 0
- (iv) SHARED POWER TO DISPOSE OR TO DIRECT THE DISPOSITION OF 1,019,700 shares of Common Stock.

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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 Persons have ceased to be the beneficial owner of more than five percent of the class of securities, check the following [X]

ITEM 6. OWNERSHIP OF MORE THAN FIVE PERCENT ON BEHALF OF ANOTHER PERSON

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

See Exhibit A attached hereto.

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.

SIGNATURE

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

Dated this 7th day of December, 2004

POTOMAC CAPITAL MANAGEMENT LLC

By: /s/ Paul J. Solit

Paul J. Solit, Managing Member

POTOMAC CAPITAL MANAGEMENT INC.

By: /s/ Paul J. Solit

Paul J. Solit, President

PAUL J. SOLIT

By: /s/ Paul J. Solit

Paul J. Solit

EXHIBIT INDEX

The following exhibits are filed with this report on Schedule 13G:

Exhibit A Identification of entities which acquired the shares which are the subject of this report on Schedule 13G

Exhibit B Joint Filing Agreement dated December 7, 2004 among Potomac Capital Management LLC, Potomac Capital Management, Inc. and Paul J. Solit