

2. Daktronics is a supplier of large screen video displays, electronic scoreboards, LED text and graphics displays, and related control systems. The Company designs, manufactures, markets and services display systems for customers in Sport, Business, Schools and Theatres and Transportation segments.

3. On February 14, 2007, the Company shocked investors when it announced that during the third fiscal quarter of 2007, it had experienced less cash flow than expected due to higher equipment costs in manufacturing expansion, greater costs incurred in building new facilities and an increased debt level. Additionally, the Company stated that it finished the quarter with higher than expected inventory levels "in preparation for orders that have been delayed in booking." Finally, the Company stated that it estimated net sales for the fourth quarter of fiscal 2007 to be in the range of \$106 million to \$118 million, with earnings in the range of \$0.12 to \$0.19 per share. The Company indicated that these estimates were affected by "lower than expected levels of orders in the third quarter," but nonetheless maintained that the Company was "well positioned with capacity to respond quickly to opportunities that may arise during the fourth quarter that could impact these estimates."

4. Upon the release of this news, the Company's shares fell \$8.00 per share, or 21 percent, to close on February 14, 2007 at \$30.09 per share, on unusually heavy trading volume.

5. Then, on April 5, 2007, after the market closed, the Company again shocked investors when it significantly revised fourth quarter earnings estimates downward. The Company stated that it now expected net sales to be in the range of \$101 million to \$105 million for the fourth quarter, with earnings in the range of \$0.06 to \$0.12 per share. The Company further stated that it was unable to book enough orders early in the fourth quarter" to justify its earnings estimates.

6. On this news, the Company's shares fell an additional \$5.78 per share, or 20.71 percent, to close on April 9, 2007 (the next trading day) at \$22.13 per share, again on unusually heavy trading volume.

7. The Complaint alleges that, throughout the Class Period, defendants failed to disclose material adverse facts about the Company's financial well-being, business relationships, and prospects. Specifically, defendants failed to disclose or indicate the following: (1) that a significant number of the Company's orders were being delayed; (2) that the Company was experiencing increased and uncontrollable operating expenses; (3) that the Company was experiencing softness in its digital billboard and sports markets; (4) that as a result, the Company was not performing according to internal expectations; (5) that the Company lacked adequate internal and financial controls; and (6) that, as a result of the foregoing, the Company's statements about its financial well-being and future business prospects were lacking in any reasonable basis when made.

8. As a result of defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiff and other Class Members have suffered significant losses and damages.

JURISDICTION AND VENUE

9. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of the Exchange Act, (15 U.S.C. §§ 78j(b) and 78t(a)), and Rule 10b-5 promulgated thereunder (17 C.F.R. § 240.10b-5).

10. This Court has jurisdiction over the subject matter of this action pursuant to Section 27 of the Exchange Act (15 U.S.C. § 78aa) and 28 U.S.C. § 1331.

11. Venue is proper in this Judicial District pursuant to Section 27 of the Exchange

Act, 15 U.S.C. § 78aa and 28 U.S.C. § 1391(b). Many of the acts and transactions alleged herein, including the preparation and dissemination of materially false and misleading information, occurred in substantial part in this Judicial District. Additionally, Daktronics' principal executive offices are located within this Judicial District.

12. In connection with the acts, conduct and other wrongs alleged in this Complaint, defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including but not limited to, the United States mails, interstate telephone communications and the facilities of the national securities exchange.

PARTIES

13. Plaintiff, Sherman Lee, as set forth in the accompanying certification, incorporated by reference herein, purchased Daktronics' securities at artificially inflated prices during the Class Period and has been damaged thereby.

14. Defendant Daktronics is a South Dakota corporation with its principal executive offices located at 331 32nd Avenue, Brookings, South Dakota.

15. Defendant James B. Morgan ("Morgan") was, at all relevant times, the Company's President, Chief Executive Officer ("CEO").

16. Defendant William R. Retterath ("Retterath") was, at all relevant times, the Company's Chief Financial Officer ("CFO") and Treasurer.

17. Defendants Morgan and Retterath are collectively referred to hereinafter as the "Individual Defendants." The Individual Defendants, because of their positions with the Company, possessed the power and authority to control the contents of Daktronics' reports to the SEC, press releases and presentations to securities analysts, money and portfolio managers and institutional investors, i.e., the market. Each defendant was provided with copies of the

Company's reports and press releases alleged herein to be misleading prior to, or shortly after, their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of their positions and access to material non-public information available to them, each of these defendants knew that the adverse facts specified herein had not been disclosed to, and were being concealed from, the public, and that the positive representations which were being made were then materially false and misleading. The Individual Defendants are liable for the false statements pleaded herein, as those statements were each "group-published" information, the result of the collective actions of the Individual Defendants.

SUBSTANTIVE ALLEGATIONS

Background

18. Daktronics is a supplier of large screen video displays, electronic scoreboards, LED text and graphics displays, and related control systems. The Company designs, manufactures, markets and services display systems for customers in Sport, Business, Schools and Theatres and Transportation segments.

Materially False and Misleading Statements Issued During the Class Period

19. The Class Period begins on November 15, 2006. On this day, the Company issued a press release entitled "Daktronics, Inc. Announces Second Quarter Fiscal 2007 Results." Therein, the Company, in relevant part, stated:

Daktronics, Inc. (Nasdaq - DAKT) today reported fiscal 2007 second quarter net sales of \$123.5 million and net income of \$8.9 million, or \$0.22 per diluted share, compared with fiscal 2006 second quarter net sales of \$75.8 million and net income of \$5.2 million, or \$0.13 per diluted share. Backlog at the end of the fiscal 2007 second quarter was approximately \$121 million, compared with a backlog of approximately \$81 million at the end of second quarter of fiscal 2006.

* * *

"The exceptional results for the quarter were mostly due to an absolutely fantastic team effort by everyone at Daktronics. Our people went above and beyond to serve our customers, and as a result we exceeded our guidance on both the top and bottom lines," said Jim Morgan, president and chief executive officer. "I want to thank all of our employees for the excellent job they did this past quarter. I would also note that the additional space that we brought on line in Brookings in the first quarter was a key enabler for us to achieve what we did in the second quarter. We also realized the benefit of process improvements that we recently implemented."

Morgan continued, "Our Sioux Falls facility is coming along nicely. We shipped our first display out of that plant in mid-October. The capacity of this facility will continue to be ramped up over the coming months as we add personnel and additional work shifts. We are excited to have the Sioux Falls facility coming on line to help us respond to the anticipated continued growth of demand in the digital billboard marketplace. We see workforce availability as a limiting factor to the growth rate in Brookings, and therefore we continue to evaluate opportunities to expand capacity outside of Brookings."

"Although much of the external attention to our business has been given to the outdoor advertising space where orders continue to outpace revenues, it is important to note that the orders in our sports markets are up more than 45% on a year to date basis over last fiscal year," Morgan continued. "Also, our transportation market had an excellent quarter for orders, and it is showing greater potential. Revenues in transportation are up over 60% both for the quarter and year to date as compared to last year, although order growth remained below 10%. We remain optimistic that these two markets will continue to show solid long-term growth. Our commercial market order bookings are now up over 75% year-to-date led by outdoor advertising opportunities."

"Our gross profit margin met our expectations, which anticipated the cost effects of the capacity expansion. We expect that our continued investment in capacity will have some effect on gross profit margin in the third quarter," said Bill Retterath, chief financial officer. "We believe that we can expand gross profit slightly in the third quarter from the second quarter."

* * *

Morgan concluded, "*We estimate net sales for the third quarter of fiscal 2007 will be in the range of \$103 to \$115 million, with earnings in the range of \$0.12 to \$0.18 per share. We expect that for the fiscal year as a whole, net sales could reach \$450 million, which is subject to a number of risks as spelled out in our public filings.*" [Emphasis added.]

20. As a result of this news, the Company's shares rose \$6.93, or 25.98 percent, to close on November 15, 2006 at \$33.60, on unusually heavy trading volume.

21. The statements contained in ¶ 19 were materially false and misleading when made because defendants failed to disclose or indicate the following: (1) that a significant number of the Company's orders were being delayed; (2) that the Company was experiencing increased and uncontrollable operating expenses; (3) that the Company was experiencing softness in its digital billboard and sports markets; (4) that as a result, the Company was not performing according to internal expectations; (5) that the Company lacked adequate internal and financial controls; and (6) that, as a result of the foregoing, the Company's statements about its financial well-being and future business prospects were lacking in any reasonable basis when made.

The Truth Begins to Emerge

22. On February 14, 2007, the Company shocked investors when it issued a press release entitled "Daktronics, Inc. Announces Third Quarter Fiscal 2007 Results." Therein, the Company stated, in relevant part:

Daktronics, Inc. (Nasdaq - DAKT) today reported fiscal 2007 third quarter net sales of \$106.7 million and net income of \$7.0 million, or \$0.17 per diluted share, compared with fiscal 2006 third quarter net sales of \$71.0 million and net income of \$4.0 million, or \$0.10 per diluted share. Backlog at the end of the fiscal 2007 third quarter was approximately \$98.4 million, compared with a backlog of approximately \$83.4 million at the end of third quarter of fiscal 2006.

Net sales, net income and earnings per share for the nine months ended January 27, 2007 were \$322.4 million, \$20.9 million and \$0.51 per diluted share, respectively, compared to \$219.2 million,

\$13.9 million and \$0.34 per diluted share, respectively, for the same period one year ago.

"We are very pleased with our top and bottom line performance for the quarter," said Jim Morgan, president and chief executive officer. "We hit the mid-point of our revenue projection range, and gross profit margins exceeded 30%. *With the reduction in backlog, we will be looking for strong order bookings in Q4. The reduction in backlog has the desirable effect of reducing our leadtimes, which is one of our stated goals and is welcomed by our customers and sales force. We would like to reduce our leadtimes further in the future especially for our standard products in both our sports and commercial markets.*"

Morgan continued, *"As evidenced by our backlog, our ratio of orders to sales was less than expected, which we attribute to lower than expected orders in professional baseball and in the billboard niche. We are expecting orders in billboards and large sports venues, along with the other areas of our business, to be strong in the fourth quarter of fiscal 2007, allowing for a strong start for the new fiscal year.* Year to date orders are up more than 38%, and are up 30% or higher in all three of our major markets.

"Our capacity expansion continues to progress. Our Sioux Falls plant handled all of our digital billboard production this quarter. We are on track to begin phasing in production of our Galaxy product line in our new Redwood Falls, Minnesota plant, which we expect to be fully operational by the end of the fiscal year. We are continuing to pursue lean manufacturing aggressively in all of our facilities and are pleased with the progress to date," continued Morgan.

Morgan added, "Our gross profit margin exceeded our expectations primarily as a result of better than expected performance on a number of large projects, which was somewhat offset by the ongoing costs of ramping up capacity. We believe a gross profit margin of 30% is achievable in the fourth quarter, subject to the uncertainties of mix and timing of orders."

"Our free cash flow was less than expected for the quarter, which caused us to incur debt that we expect to reduce in the fourth quarter. This resulted from higher equipment costs in our manufacturing expansion, sales of demonstration equipment which was subsequently replaced, and greater costs incurred in building out the facilities in Sioux Falls and Brookings," said Bill Retterath, chief financial officer. *"We also finished the*

quarter with higher than expected inventory levels in preparation for orders that have been delayed in booking."

* * *

Morgan concluded, "***We estimate net sales for the fourth quarter of fiscal 2007 will be in the range of \$106 to \$118 million, with earnings in the range of \$0.12 to \$0.19 per share. These estimates are affected by the lower than expected level of orders in the third quarter.*** However, we are well positioned with capacity to respond quickly to opportunities that may arise during the fourth quarter that could impact these estimates. [Emphasis added.]

23. On this partial disclosure, the Company's shares fell \$8.00 per share, or 21 percent, to close on February 14, 2007 at \$30.09 per share, on unusually heavy trading volume.

24. However, the statements in ¶ 22 were false and misleading when made because defendants failed to disclose or indicate the following: (1) that a significant number of the Company's orders were being delayed; (2) that the Company was experiencing increased and uncontrollable operating expenses; (3) that the Company was experiencing softness in its digital billboard and sports markets; (4) that as a result, the Company was not performing according to internal expectations; (5) that the Company lacked adequate internal and financial controls; and (6) that, as a result of the foregoing, the Company's statements about its financial well-being and future business prospects were lacking in any reasonable basis when made.

25. On April 5, 2007, after the market closed, the Company issued a press release entitled "Daktronics, Inc. Revises Fourth Quarter 2007 Estimates; Gives Initial Order Growth Guidance for FY2008." Therein, the Company stated, in relevant part::

Daktronics, Inc. (Nasdaq - DAKT) today updated its estimates for the fourth quarter of fiscal 2007 which ends April 28. ***Previously, the Company estimated that its fiscal fourth quarter net sales would be in the range of \$106 million to \$118 million and that its earnings per share would be in the range of \$0.12 to \$0.19 per share. The Company now estimates that net sales for the fourth quarter of fiscal 2007 will be in the range of \$101 million to \$105***

million, with earnings in the range of \$0.06 to \$0.10 per share. The Company is also providing initial guidance for order growth for fiscal year 2008 for each of its major markets.

"Heading into the fourth quarter, we had anticipated that the order volume earlier in the quarter would be sufficient to achieve our estimated range of sales," said Jim Morgan, president and chief executive officer. "However, we were unable to book enough orders earlier in the quarter to generate the sales, which is causing this revision in the estimates. The level of order bookings was a combination of timing and softness in the marketplace, which we attribute to the natural volatility of our large display business. We are expecting stronger orders in April, and we expect backlog at the end of this fiscal year to be between \$105 million and \$115 million. Included in this is approximately \$55 million to \$65 million in orders which we expect to book yet this month. It's important to note that there is always uncertainty on the timing of orders firming up, and likewise a chance that some of this expected business might not book until the first quarter of fiscal year 2008," said Morgan. [Emphasis added.]

26. On this news, the Company's shares fell an additional \$5.78 per share, or 20.71 percent, to close on April 9, 2007 (the next trading day) at \$22.13 per share, again on unusually heavy trading volume.

PLAINTIFF'S CLASS ACTION ALLEGATIONS

27. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who purchased Daktronics' securities between November 15, 2006 and April 5, 2007, inclusive (the "Class Period") and who were damaged thereby. Excluded from the Class are defendants, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which defendants have or had a controlling interest.

28. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Daktronics' securities were actively traded on the

National Association of Securities Dealers Automated Quotation ("NASDAQ"). While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are hundreds or thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by Daktronics or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

29. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by defendants' wrongful conduct in violation of federal law that is complained of herein.

30. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

31. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

- (a) whether the federal securities laws were violated by defendants' acts as alleged herein;
- (b) whether statements made by defendants to the investing public during the Class Period misrepresented material facts about the business, operations and management of Daktronics; and
- (c) to what extent the members of the Class have sustained damages and the proper measure of damages.

32. A class action is superior to all other available methods for the fair and efficient

adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

UNDISCLOSED ADVERSE FACTS

33. The market for Daktronics' securities was open, well-developed and efficient at all relevant times. As a result of these materially false and misleading statements, and failures to disclose, Daktronics' securities traded at artificially inflated prices during the Class Period. Plaintiff and other members of the Class purchased or otherwise acquired Daktronics' securities relying upon the integrity of the market price of Daktronics' securities and market information relating to Daktronics, and have been damaged thereby.

34. During the Class Period, defendants materially misled the investing public, thereby inflating the price of Daktronics' securities, by publicly issuing false and misleading statements and omitting to disclose material facts necessary to make defendants' statements, as set forth herein, not false and misleading. Said statements and omissions were materially false and misleading in that they failed to disclose material adverse information and misrepresented the truth about the Company, its business and operations, as alleged herein.

35. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused or were a substantial contributing cause of the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, defendants made or caused to be made a series of materially false or misleading statements about Daktronics' financial well-being and prospects. These material misstatements

and omissions had the cause and effect of creating in the market an unrealistically positive assessment of Daktronics and its financial well-being and prospects, thus causing the Company's securities to be overvalued and artificially inflated at all relevant times. Defendants' materially false and misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at artificially inflated prices, thus causing the damages complained of herein.

LOSS CAUSATION

36. Defendants' wrongful conduct, as alleged herein, directly and proximately caused the economic loss suffered by Plaintiff and the Class.

37. During the Class Period, Plaintiff and the Class purchased Daktronics' securities at artificially inflated prices and were damaged thereby. The price of Daktronics' securities significantly declined when the misrepresentations made to the market, and/or the information alleged herein to have been concealed from the market, and/or the effects thereof, were revealed, causing investors' losses.

SCIENTER ALLEGATIONS

38. As alleged herein, defendants acted with scienter in that defendants knew that the public documents and statements issued or disseminated in the name of the Company were materially false and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws. As set forth elsewhere herein in detail, defendants, by virtue of their receipt of information reflecting the true facts regarding Daktronics, their control over, and/or receipt and/or modification of Daktronics' allegedly materially misleading misstatements and/or

their associations with the Company which made them privy to confidential proprietary information concerning Daktronics, participated in the fraudulent scheme alleged herein.

39. Additionally, during the Class Period, and with the Company's securities trading at artificially inflated prices, Company insiders sold 99,800 shares of the Company's stock for gross proceeds of \$3,442,000. This trading by Company insiders is evidenced by the following chart:

Date of Trade	Inside Trader	Number of Shares	Price per Share	Gross Proceeds
April 2, 2007	Sander, Duane E.	8,000	\$27.38 - \$27.42	\$219,000
March 1, 2007	Sander, Duane E.	8,000	\$25.35 - \$25.71	\$204,000
February 23, 2007	Vellenga, James A.	3,000	\$28.80 - \$28.82	\$86,000
February 1, 2007	Sander, Duane E.	8,000	\$33.96 - \$34.27	\$273,000
January 3, 2007	Sander, Duane E.	8,000	\$36.38 - \$36.58	\$292,000
December 7, 2006	Vellenga, James A.	2,000	\$37.50 - \$37.53	\$75,000
December 5, 2006	Frame, Nancy D.	3,000	\$37.73 - \$37.90	\$113,000
December 1, 2006	Sander, Duane E.	8,000	\$35.51 - \$36.20	\$287,000
November 29, 2006	Kurtenbach, Aelred J.	5,000	\$36.60	\$183,000
November 28, 2006	Kurtenbach, Aelred J.	10,000	\$35.88 - \$35.97	\$359,000
November 28, 2006	Kurtenbach, Aelred J.	5,000	\$35.90 - \$35.91	\$180,000
November 22, 2006	Kurtenbach, Frank J.	20,000	\$38.00 - \$38.07	\$761,000
November 21, 2006	Kurtenbach, Reece A.	4,000	\$35.83	\$143,000
November 20, 2006	Wiemann, Bradley T.	7,800	\$34.19	\$267,000
	TOTALS:	99,800		\$3,442,000

**Applicability of Presumption of Reliance:
Fraud On The Market Doctrine**

40. At all relevant times, the market for Daktronics' securities was an efficient market for the following reasons, among others:

- (a) Daktronics' securities met the requirements for listing, and were listed and actively traded on the NASDAQ, a highly efficient and automated market;
- (b) As a regulated issuer, Daktronics filed periodic public reports with the SEC and the NASDAQ;
- (c) Daktronics regularly communicated with public investors via established market communication mechanisms, including through regular disseminations of press releases on the national circuits of major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services; and
- (d) Daktronics was followed by several securities analysts employed by major brokerage firms who wrote reports which were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace.

41. As a result of the foregoing, the market for Daktronics' securities promptly digested current information regarding Daktronics from all publicly-available sources and reflected such information in the price of Daktronics' securities. Under these circumstances, all purchasers of Daktronics' securities during the Class Period suffered similar injury through their purchase of Daktronics' securities at artificially inflated prices and a presumption of reliance applies.

NO SAFE HARBOR

42. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. Many of the specific statements pleaded herein were not identified as "forward-looking statements" when made. To the extent there were any forward-looking statements, there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. Alternatively, to the extent that the statutory safe harbor does apply to any forward-looking statements pleaded herein, defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the particular speaker knew that the particular forward-looking statement was false, and/or the forward-looking statement was authorized and/or approved by an executive officer of Daktronics who knew that those statements were false when made.

FIRST CLAIM **Violation of Section 10(b) of** **The Exchange Act and Rule 10b-5** **Promulgated Thereunder Against All Defendants**

43. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

44. During the Class Period, defendants carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and other members of the Class to purchase Daktronics' securities at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, defendants, and each of them, took the actions set forth herein.

45. The defendants (i) employed devices, schemes, and artifices to defraud; (ii) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements not misleading; and (iii) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities in an effort to maintain artificially high market prices for Daktronics' securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5. All defendants are sued either as primary participants in the wrongful and illegal conduct charged herein or as controlling persons as alleged below.

46. The defendants, individually and in concert, directly and indirectly, by the use, means or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a continuous course of conduct to conceal adverse material information about Daktronics' financial well-being and prospects, as specified herein.

47. These defendants employed devices, schemes and artifices to defraud, while in possession of material adverse non-public information and engaged in acts, practices, and a course of conduct as alleged herein in an effort to assure investors of Daktronics' value and performance and continued substantial growth, which included the making of, or the participation in the making of, untrue statements of material facts and omitting to state material facts necessary in order to make the statements made about Daktronics and its business operations and future prospects in light of the circumstances under which they were made, not misleading, as set forth more particularly herein, and engaged in transactions, practices and a course of business which operated as a fraud and deceit upon the purchasers of Daktronics' securities during the Class Period.

48. Each of the Individual Defendants' primary liability, and controlling person liability, arises from the following facts: (i) the Individual Defendants were high-level executives

and/or directors at the Company during the Class Period and members of the Company's management team or had control thereof; (ii) each of these defendants, by virtue of their responsibilities and activities as a senior officer and/or director of the Company, was privy to and participated in the creation, development and reporting of the Company's internal budgets, plans, projections and/or reports; (iii) each of these defendants enjoyed significant personal contact and familiarity with the other defendants and was advised of, and had access to, other members of the Company's management team, internal reports and other data and information about the Company's finances, operations, and sales at all relevant times; and (iv) each of these defendants was aware of the Company's dissemination of information to the investing public which they knew or recklessly disregarded was materially false and misleading.

49. The defendants had actual knowledge of the misrepresentations and omissions of material facts set forth herein, or acted with reckless disregard for the truth in that they failed to ascertain and to disclose such facts, even though such facts were available to them. Such defendants' material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose and effect of concealing Daktronics' financial well-being and prospects from the investing public and supporting the artificially inflated price of its securities. As demonstrated by defendants' overstatements and misstatements of the Company's financial well-being and prospects throughout the Class Period, defendants, if they did not have actual knowledge of the misrepresentations and omissions alleged, were reckless in failing to obtain such knowledge by deliberately refraining from taking those steps necessary to discover whether those statements were false or misleading.

50. As a result of the dissemination of the materially false and misleading information and failure to disclose material facts, as set forth above, the market price of Daktronics' securities

was artificially inflated during the Class Period. In ignorance of the fact that market prices of Daktronics' securities were artificially inflated, and relying directly or indirectly on the false and misleading statements made by defendants, or upon the integrity of the market in which the securities trades, and/or in the absence of material adverse information that was known to or recklessly disregarded by defendants, but not disclosed in public statements by defendants during the Class Period, Plaintiff and the other members of the Class acquired Daktronics' securities during the Class Period at artificially high prices and were damaged thereby.

51. At the time of said misrepresentations and omissions, Plaintiff and other members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff and the other members of the Class and the marketplace known the truth regarding the problems that Daktronics was experiencing, which were not disclosed by defendants, Plaintiff and other members of the Class would not have purchased or otherwise acquired their Daktronics securities, or, if they had acquired such securities during the Class Period, they would not have done so at the artificially inflated prices which they paid.

52. By virtue of the foregoing, defendants have violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

53. As a direct and proximate result of defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases and sales of the Company's securities during the Class Period.

SECOND CLAIM
Violation of Section 20(a) of
The Exchange Act Against the Individual Defendants

54. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

55. The Individual Defendants acted as controlling persons of Daktronics within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions, and their ownership and contractual rights, participation in and/or awareness of the Company's operations and/or intimate knowledge of the false financial statements filed by the Company with the SEC and disseminated to the investing public, the Individual Defendants had the power to influence and control and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements which Plaintiff contends are false and misleading. The Individual Defendants were provided with or had unlimited access to copies of the Company's reports, press releases, public filings and other statements alleged by Plaintiff to be misleading prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the statements or cause the statements to be corrected.

56. In particular, each of these defendants had direct and supervisory involvement in the day-to-day operations of the Company and, therefore, is presumed to have had the power to control or influence the particular transactions giving rise to the securities violations as alleged herein, and exercised the same.

57. As set forth above, Daktronics and the Individual Defendants each violated Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of their positions as controlling persons, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of defendants' wrongful conduct, Plaintiff and other members of the Class suffered damages in connection with their purchases of the Company's securities during the Class Period.

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

- (a) Determining that this action is a proper class action under Rule 23 of the Federal Rules of Civil Procedure;
- (b) Awarding compensatory damages in favor of Plaintiff and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;
- (c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and
- (d) Such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

Dated: November 21, 2008

Respectfully submitted,

By: _____

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