

DAKTRONICS INC /SD/  
Form DEF 14A  
June 29, 2011

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant  [X]  
Filed by a Party other than  [ ]  
the Registrant

Check the appropriate box:

- [ ] Preliminary Proxy Statement  
 [ ] Confidential, for Use of the Commission Only (as permitted by Rule  
14a-6(e)(2))  
 [X] Definitive Proxy Statement  
 [ ] Definitive Additional Materials  
 [ ] Soliciting Material Pursuant to §240.14a-12

Daktronics, Inc.  
(Name of Registrant as Specified in its Charter)

\_\_\_\_\_  
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- [X] No fee required.  
 [ ] Fee computed on table below per Exchange Act Rules 14a-6(i) and 0-11.
- |    |   |
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| 1) | Title of each class of securities to which transaction applies:   |
| 2) | Aggregate number of securities to which transaction applies:  |
| 3) | Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): |
| 4) | Proposed maximum aggregate value of transaction:  |
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- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- 1) Amount previously paid:
  - 2) Form, Schedule or Registration Statement No.:
  - 3) Filing Party:
  - 4) Date Filed:
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DAKTRONICS, INC.  
201 Daktronics Drive  
Brookings, South Dakota 57006

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD ON WEDNESDAY, AUGUST 24, 2011

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders (the "Annual Meeting") of Daktronics, Inc. (the "Company") will be held at the Company's headquarters, 201 Daktronics Drive, Brookings, South Dakota 57006 on Wednesday, August 24, 2011, at 7:00 p.m. Central Daylight Time, for the following purposes:

1. To elect three Directors to serve for a three-year term that expires on the date of the Annual Meeting of Shareholders in 2014 or until their successors are duly elected;
2. To have an advisory vote on the compensation of our named executive officers (a non-binding "say-on-pay" vote);
3. To have an advisory vote on how frequently shareholders should vote on compensation of our named executive officers (a non-binding "say-on-frequency" vote);
4. To ratify the appointment by the Audit Committee of the Board of Directors of Ernst & Young LLP as our independent registered public accounting firm for fiscal 2012; and
5. To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

Only the shareholders of record of our common stock at the close of business on June 27, 2011 (the "Record Date") are entitled to notice of and to vote at the Annual Meeting or any adjournment or postponement of the Annual Meeting. If an insufficient number of votes is present for a quorum or is cast to approve or ratify any of the foregoing proposals at the time of the Annual Meeting, the Annual Meeting may be adjourned or postponed to allow further solicitation of proxies by the Company.

All shareholders are invited to attend the Annual Meeting in person. However, to ensure your representation at the Annual Meeting, you are urged to vote as soon as possible. Shareholders may vote their shares over the Internet or via a toll-free telephone number. If shareholders have received a paper copy of a proxy card by mail, they may vote by completing, signing, dating and returning the proxy card as promptly as possible in the postage-prepaid envelope provided for that purpose. Any shareholder attending the Annual Meeting has the right to revoke that shareholder's proxy card and vote in person even if he or she has previously returned a proxy. For specific information on how to vote shares, please refer to the section heading "How Votes are Submitted" and "Revocability of Proxies".

By Order of the Board of Directors,

Carla S. Gatzke  
Corporate Secretary

Brookings, South Dakota  
July 11, 2011

WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE VOTE BY PHONE OR BY INTERNET, OR IF YOU HAVE RECEIVED A PAPER COPY OF THE PROXY CARD, BY SIGNING, DATING AND RETURNING THE PROXY CARD AS PROMPTLY AS POSSIBLE IN THE ENVELOPE PROVIDED FOR THAT PURPOSE.

IMPORTANT NOTICE REGARDING AVAILABILITY OF PROXY MATERIALS FOR THE DAKTRONICS, INC. ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON AUGUST 24, 2011:

This notice, the accompanying proxy statement and our fiscal 2011 Annual Report to Shareholders, which includes our Annual Report on Form 10-K for the year ended April 30, 2011, are available at our website at <http://www.daktronics.com>. Additionally, and in accordance with the rules of the Securities and Exchange Commission, shareholders may access these materials at the cookies-free website indicated in the Notice of Internet Availability of Proxy Materials that you receive in connection with this notice and the accompanying proxy statement.

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DAKTRONICS, INC.

PROXY STATEMENT  
FOR 2011 ANNUAL MEETING OF SHAREHOLDERS

PROCEDURAL MATTERS

General

The enclosed proxy is solicited by and on behalf of the Board of Directors of Daktronics, Inc., a South Dakota corporation (the “Company”), for use at our Annual Meeting of Shareholders to be held on Wednesday, August 24, 2011 at Daktronics, Inc., 201 Daktronics Drive, Brookings, South Dakota at 7:00 p.m. Central Daylight Time, and at any adjournment or postponement thereof (the “Annual Meeting”), for the purposes set forth herein and in the accompanying Notice of Annual Meeting of Shareholders. This Proxy Statement and the accompanying form of proxy, together with our fiscal year 2011 Annual Report to Shareholders, are being made available to shareholders on the Internet or are being mailed on or about July 11, 2011 to all shareholders entitled to vote at the Annual Meeting.

In this Proxy Statement, “Daktronics”, “Company”, “registrant”, “we”, “us” and “our” refer to Daktronics, Inc.

Shareholders Entitled to Vote; Record Date

Only shareholders of record at the close of business on June 27, 2011 (the “Record Date”) are entitled to notice of and to vote at the meeting. As of the Record Date, there were 41,707,633 shares of our common stock outstanding and entitled to vote held by 878 shareholders of record.

Notice of Internet Availability of Proxy Materials

We are making proxy materials for the Annual Meeting available over the Internet. Therefore, we are mailing to the majority of our shareholders a notice about the Internet availability of the proxy materials instead of a paper copy of the proxy materials. The notice is entitled “Notice of Internet Availability of Proxy Materials.” All shareholders receiving the notice will have the ability to access the proxy materials over the Internet and request to receive a paper copy of the proxy materials by mail. Instructions on how to access the proxy materials over the Internet or to request a paper copy may be found on the notice. Our proxy materials may also be accessed on our website at <http://www.daktronics.com> by selecting “Investors” and then “Proxy Materials.” We are providing some of our shareholders, including shareholders who have previously requested to receive paper copies of the proxy materials, with paper copies of the proxy materials instead of a notice about the Internet availability of the proxy materials.

Voting at the Annual Meeting; Vote Requirements

The holders of a majority of the shares of common stock issued and outstanding and entitled to vote at the Annual Meeting, present in person or represented by proxy, will constitute a quorum for the transaction of business. If a quorum is not present, the Annual Meeting may be adjourned from time to time until a quorum is present. Abstentions and broker non-votes will be treated as shares that are present and entitled to vote for purposes of determining the presence of a quorum. Each share is entitled to one vote on all matters submitted to a vote. However, with respect to the election of Directors, every shareholder shall have the right to cast a number of votes equal to the number of Directors to be elected at the Annual Meeting multiplied by the number of shares the shareholder is entitled to vote. Shareholders may cast all votes for one nominee or divide the votes as they choose among two or three nominees. Shares abstaining will be treated as not voted.

A plurality of the votes cast is required for the election of Directors. This means that the Director nominee with the most votes for a particular slot is elected for that slot. Only votes “for” or “withheld” affect the outcome. Abstentions are not counted for purposes of the election of Directors. The affirmative vote of a majority of the shares of common stock represented at the Annual Meeting, either in person or by proxy, assuming a quorum is present, is required to

approve any of the other proposals, except that with regard to the advisory vote on how frequently our shareholders should vote on the compensation of our named executive officers, the number of years (one, two or three) that receives the highest number of votes will be deemed to be preferred by our shareholders. If an executed proxy is returned and the shareholder has abstained from voting on any matter, the shares represented by such proxy will be considered present at the Annual Meeting for purposes of determining a quorum and for purposes of calculating the vote, but they will not be considered to have been voted in favor of such matter. If a signed proxy is returned by a broker holding shares in “street name,” and it indicates that the broker does not have discretionary authority to vote certain shares on one or more matters, such shares will be considered present at the Annual Meeting for purposes of determining a quorum but will not be considered to be represented at the Annual Meeting for purposes of calculating the vote with respect to such matter.

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#### Counting Votes

The inspector of election appointed for the meeting will count the votes cast by proxy or in person at the Annual Meeting.

Brokers who hold shares in street name for customers will not be able to vote the shares without instructions from their customers with respect to any of the proposals, other than the proposal to ratify the selection of our auditors (Proposal Four of this Proxy Statement). Shares for which brokers have not received instructions, and which therefore are not voted, with respect to a particular proposal are referred to as “broker non-votes” with respect to that proposal. Abstentions from voting on a proposal described in this proxy statement and broker non-votes will not affect the outcome of the vote on that proposal.

#### How Votes are Submitted

If the shares of our common stock are held directly in the name of the shareholder, he or she can vote on matters to come before the meeting as follows:

If the shareholder has received a paper copy of a proxy card, by completing, dating and signing the proxy card and returning it to us in the postage-paid envelope provided for that purpose; or

By written ballot at the meeting; or

By telephone, by calling 1-800-690-6903; or

By Internet, at <http://www.proxyvote.com>.

Shareholders whose shares of our common stock are held in “street name” must either direct the record holder of their shares as to how to vote their shares of common stock or obtain a proxy from the record holder to vote at the meeting. “Street name” shareholders should check the voting instruction cards used by their brokers or nominees for specific instructions on methods of voting, including by telephone or using the Internet.

Participants in the Daktronics, Inc. 401(k) Plan (the “401(k) Plan”) who hold our common stock in the 401(k) Plan are entitled to instruct the trustee of the 401(k) Plan as to how to vote their shares. Each participant will receive a Notice of Internet Availability of Proxy Materials, similar to the Notice received by the registered holders described above. Each participant will have the ability to access the proxy materials over the Internet and request to receive a paper copy of the proxy materials by mail. Instructions on how to access the proxy materials over the Internet or to request a paper copy may be found on the notice as described above. The participants can vote on matters as described above. The votes will then be tabulated and submitted for vote by the trustee. If a participant does not timely vote, the trustee will vote the shares allocated to that participant in the same proportion as the shares that are voted by all other participants under the 401(k) Plan.

### Proxies

All shares entitled to vote and represented by properly submitted proxies received before the Annual Meeting will be voted at the Annual Meeting in accordance with the instructions indicated on those proxies if they are not revoked before the vote as described below. If no instructions are indicated on a properly submitted proxy, the shares represented by that proxy will be voted as recommended by the Board of Directors. If any other matters are properly presented for consideration at the Annual Meeting, the proxy holders will have discretion to vote on those matters in accordance with their best judgment.

### Revocability of Proxies

Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before it is voted. A proxy may be revoked by either:

- delivering a written notice of revocation to the Secretary of the Company,
- submitting another proxy bearing a later date,
- voting by telephone or via the Internet after your prior telephone or Internet vote, or
- attending the Annual Meeting and voting in person (although attendance at the Annual Meeting will not itself revoke a proxy).

### Expenses of Solicitation

All expenses of this solicitation, including the cost of preparing and mailing this Proxy Statement, will be borne by us. We may reimburse brokerage firms, custodians, nominees, fiduciaries and other persons representing beneficial owners of stock for their reasonable expenses in forwarding solicitation material to such beneficial owners. Our Directors, officers and employees may also solicit proxies in person or by telephone, e-mail, letter or facsimile. Such Directors, officers and employees will not be additionally compensated, but they may be reimbursed for reasonable out-of-pocket expenses in connection with such solicitation.

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### Procedure for Submitting Shareholder Proposals

Shareholders may present proper proposals for inclusion in our proxy materials for consideration at the next annual meeting of our shareholders by submitting their proposals to us in a timely manner. In order to be included in our proxy materials for the next annual meeting, shareholder proposals must be received by us no later than March 13, 2012 and must otherwise comply with the requirements of Rule 14a-8 under the Securities Exchange Act of 1934.

For any proposal that is not submitted for inclusion in next year's Proxy Statement but instead is sought to be presented directly at the 2012 annual meeting of shareholders, management may vote proxies in its discretion if we: (a) receive notice of the proposal before the close of business on May 29, 2012 and advise shareholders in the 2012 Proxy Statement about the nature of the matter and how management intends to vote on such matter or (b) do not receive notice of the proposal before the close of business on May 29, 2012. Notices of intention to present proposals at the 2012 annual meeting of shareholders should be addressed to Corporate Secretary, Daktronics, Inc., 201 Daktronics Drive, Brookings, South Dakota 57006.

### Other Business

At the date of this Proxy Statement, management knows of no other business that may properly come before the Annual Meeting. However, if any other matters properly come before the Annual Meeting, the individuals named in enclosed form of the proxy will vote the proxies received in response to this solicitation in accordance with their best judgment on such matters.

### Financial Information



Our fiscal 2011 Annual Report to Shareholders, including, but not limited to, our consolidated balance sheets as of April 30, 2011 and May 1, 2010 and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended April 30, 2011, accompanies these materials. A copy of the fiscal 2011 Annual Report to Shareholders may be obtained without charge upon request to the Company. The fiscal year 2011 Annual Report to Shareholders can also be accessed on our website at <http://www.daktronics.com> by selecting "Investors," then "Financials" and then "Annual Reports." In addition, we will provide without charge to any shareholder, upon the shareholder's written request, a copy of our Annual Report on Form 10-K for the year ended April 30, 2011 filed with the Securities and Exchange Commission. Requests should be directed to Investor Relations, Daktronics, Inc., 201 Daktronics Drive, Brookings, South Dakota 57006.

#### SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding the beneficial ownership of common stock as of June 27, 2011, the Record Date, by each of our Directors, by each executive officer named in the Summary Compensation Table, by all Directors and executive officers as a group, and by each shareholder who is known by us to own beneficially more than 5% of our outstanding common stock.

Name and Address of Beneficial Owners	Note	Amount and Nature of Beneficial Ownership(1)	Percentage of Outstanding Shares(2)
<b>5% Beneficial Owners:</b>			
BlackRock, Inc. 40 East 52nd Street New York, NY 10022	(15)	2,619,461	6.3%
<b>Named Officers and Directors:</b>			
Dr. Aelred J. Kurtenbach	(3)	2,460,962	5.9%
James B. Morgan	(4)	1,490,001	3.6%
Frank J. Kurtenbach	(5)	771,799	1.9%
Byron J. Anderson	(6)	61,896	*
Robert G. Dutcher	(7)	57,322	*
Nancy D. Frame	(8)	87,403	*
John L. Mulligan	(9)	79,654	*
Bruce W. Tobin	(10)	5,784	*
James A. Vellenga	(11)	76,483	*
William R. Retterath	(12)	94,759	*
Reece A. Kurtenbach	(13)	360,054	*
Bradley T. Wiemann	(14)	190,090	*
All Directors and executive officers as a group (12 persons, consisting of those named above)		5,736,207	13.8%

\* Less than 1%

- (1) Each person has sole voting and sole dispositive power with respect to all outstanding shares, except as noted. The individuals holding restricted shares have the power to vote but not the power to dispose of such shares.
- (2) Based on 41,707,633 shares of common stock outstanding as of June 27, 2011. Such number does not include 492,466 shares of common stock subject to stock options outstanding as of June 27, 2011. Each figure showing the percentage of outstanding shares owned beneficially has been calculated by treating as outstanding and owned the shares upon which could be purchased by the indicated person(s) on June 27, 2011 or within 60 days of June 27, 2011 upon the exercise of stock options or vesting of restricted stock and restricted stock units.
- (3)

- Includes 2,164 shares held through the 401(k) Plan, 1,026,500 shares held by his spouse, 150,000 shares held in Medary Creek LLLP. Medary Creek LLLP is a limited liability limited partnership where Al and Irene Kurtenbach are the general partners.
- (4) Includes 72,600 shares subject to options and 41,611 shares held through the 401(k) Plan.
  - (5) Includes 3,198 shares held through the 401(k) Plan and 215,150 shares held by his spouse.
  - (6) Includes 44,821 shares subject to exercisable options, 2,153 shares of restricted stock which vest on August 26, 2011 and 11,509 shares subject to options which become exercisable on August 26, 2011.
  - (7) Includes 36,988 shares subject to exercisable options and 2,153 shares of restricted stock which vest on August 26, 2011.
  - (8) Includes 28,988 shares subject to exercisable options and 2,153 shares of restricted stock which vest on August 26, 2011.
  - (9) Includes 37,661 shares subject to exercisable options, 2,153 shares of restricted stock which vest on August 26, 2011 and 11,509 shares subject to options which become exercisable on August 26, 2011.
  - (10) Includes 4,860 shares subject to exercisable options and 924 shares of restricted stock which vest on August 26, 2011.
  - (11) Includes 36,821 shares subject to exercisable options, 2,153 shares of restricted stock which vest on August 26, 2011 and 11,509 shares subject to options which become exercisable on August 26, 2011, and 5,000 shares held by spouse.
  - (12) Includes 68,600 shares subject to options and 10,476 shares held through the 401(k) Plan.
  - (13) Includes 63,300 shares subject to options, 17,957 shares held through the 401(k) Plan, 17,400 shares held by his spouse and 44,800 shares held by his children.
  - (14) Includes 63,300 shares subject to options, 24,937 shares held through the 401(k) Plan and 436 shares held by his spouse.
  - (15) Reflects information as of March 31, 2011 derived from an amendment to Schedule 13G filed with the Securities and Exchange Commission by BlackRock, Inc., on April 21, 2011. As set forth in the amendment to Schedule 13G, as amended, BlackRock, Inc. has sole voting and dispositive power as to 2,619,461 shares.

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## PROPOSAL ONE

### ELECTION OF DIRECTORS

#### General

Our business and affairs are managed under the direction of our Board of Directors, which currently consists of nine individuals divided into three classes serving staggered three-year terms of office. There are three Directors (Dr. Aelred J. Kurtenbach, Robert G. Dutcher and Nancy D. Frame) whose terms expire at the 2011 Annual Meeting or until their successors are named, three Directors (Byron J. Anderson, Frank J. Kurtenbach and James A. Vellenga) whose terms expire at the 2012 annual meeting of shareholders or until their successors are named, and three Directors (James B. Morgan, John L. Mulligan and Bruce W. Tobin) whose terms expire at the 2013 annual meeting of shareholders or until their successors are named. The Nominating and Corporate Governance Committee has recommended to the Board of Directors that Dr. Kurtenbach, Mr. Dutcher and Ms. Frame, who are all currently Directors, be nominated as the Directors to be elected at the 2011 Annual Meeting, and the Board of Directors has approved that recommendation. All nominees have indicated a willingness to serve if elected. If any nominee becomes unable to serve before the Annual Meeting, the proxies received in response to this solicitation will be voted for a replacement nominee selected in accordance with the best judgment of the proxy holders named in the proxy.

#### Vote Required

See "Procedural Matters – Vote Requirements" for a description of the votes required for the election of Directors.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE “FOR” THE ELECTION OF THE NOMINEES FOR DIRECTORS NAMED BELOW.

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#### Directors and Nominees for Director

The following table sets forth the name, age and certain other information about each nominee for Director as of the Record Date:

Name	Age	Principal Occupation	Committees Served On
Dr. Aelred J. Kurtenbach	77	Chairman of the Board	None
Robert G. Dutcher	66	Retired	Compensation (Chairperson)
Nancy D. Frame	66	Retired	Nominating and Governance (Chairperson), Compensation

Aelred J. Kurtenbach, Ph.D. is a co-founder of the Company and has served as a Director and Chairman of the Board since its incorporation in 1968. He served as President of the Company until 1999, Chief Executive Officer until 2001, and Treasurer until 1993. Dr. Kurtenbach holds B.S., M.S. and Ph.D. degrees in electrical engineering from the South Dakota School of Mines and Technology, the University of Nebraska and Purdue University, respectively. Dr. Kurtenbach brings to the Board an in-depth perspective of our business and industry derived from his experience as co-founder of the company, as the Chief Executive Officer of the Company since its founding through 2001, and as Chairman of the Board since then.

Robert G. Dutcher is currently Strategic Advisor Lead Member of MEDRAD, Inc. From April 2008 through March 2009, he was President and Chief Executive Officer of the Cardiovascular Division of MEDRAD, Inc., an affiliate of Bayer AG. From 2001 until April 2008, he was the Chairman, President and Chief Executive Officer of Possis Medical, Inc., a publicly-held medical device company located in Minneapolis, Minnesota, which was acquired by MEDRAD, Inc. in April 2008. From 1993 until April 2008, he served as its President and Chief Executive Officer. Before joining Possis Medical in 1985, he was with Medtronic, Inc. for 12 years, most recently as Director of