

DAKTRONICS INC /SD/

FORM DEF 14A (Proxy Statement (definitive))

Filed 7/18/2000 For Period Ending 8/16/2000

Address	PO BOX 5128 331 32ND AVE BROOKINGS, South Dakota 57006
Telephone	605-697-4000
CIK	0000915779
Industry	Advertising
Sector	Services
Fiscal Year	01/31

SCHEDULE 14A
(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION

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

[X] Definitive proxy statement

[] Definitive additional materials

[] Soliciting material pursuant to Rule 14a-11(c) or Rule 14a-12

[] Confidential, for Use of the Commission Only (as permitted by Rule
14a-6(e)(2))

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)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transactions 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:

(5) Total fee paid:

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[] 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:

DAKTRONICS, INC.
331 32nd Avenue
Brookings, South Dakota 57006

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
AUGUST 16, 2000

TO THE SHAREHOLDERS OF DAKTRONICS, INC.:

Notice is hereby given that the Annual Meeting of Shareholders of Daktronics, Inc. ("Daktronics" or the "Company") will be held on Wednesday, August 16, 2000, at Daktronics, Inc., 331 32nd Avenue, Brookings, South Dakota at 7:00 p.m. Central Daylight Time, for the following purposes:

1. To elect three directors as members of the class of directors to serve until the third succeeding Annual Meeting of Shareholders, and until their successors have been elected and qualified.
2. To ratify the appointment of McGladrey & Pullen, LLP as independent auditors for the Company for the fiscal year ending April 28, 2001.
3. To consider and act upon any other matters that may properly come before the meeting or any adjournment thereof.

Only the shareholders of record of Daktronics Common Stock at the close of business on July 14, 2000, will be entitled to receive notice of and to vote at the meeting or any adjournment thereof.

YOU ARE CORDIALLY INVITED TO ATTEND THE MEETING. WHETHER OR NOT YOU PLAN TO BE PERSONALLY PRESENT AT THE MEETING, PLEASE COMPLETE, DATE AND SIGN THE ENCLOSED PROXY AND RETURN IT PROMPTLY IN THE ENCLOSED ENVELOPE. IF YOU LATER DESIRE TO REVOKE YOUR PROXY, YOU MAY DO SO AT ANY TIME BEFORE IT IS EXERCISED.

BY ORDER OF THE BOARD OF DIRECTORS,

Duane E. Sander,
SECRETARY

July 19, 2000

DAKTRONICS, INC.
331 32nd Avenue
Brookings, South Dakota 57006

**PROXY STATEMENT
FOR
ANNUAL MEETING OF SHAREHOLDERS**

AUGUST 16, 2000

This Proxy Statement is furnished in connection with the solicitation of the enclosed proxy by the Board of Directors of Daktronics, Inc. ("Daktronics" or the "Company") for use at the Annual Meeting of Shareholders to be held on Wednesday, August 16, 2000, at Daktronics, Inc., 331 32nd Avenue, Brookings, South Dakota at 7:00 p.m. Central Daylight Time, and at any adjournment thereof, for the purposes set forth in the Notice of Annual Meeting of Shareholders.

Shares of Common Stock represented by proxies in the form solicited will be voted in the manner directed by a shareholder. If no direction is made, the proxy will be voted (1) for the election of the three nominees for director named in this Proxy Statement, and (2) for the ratification of the appointment of McGladrey & Pullen, LLP as independent auditors for the Company for the fiscal year ending April 28, 2001. A shareholder may revoke his or her proxy at any time before it is voted by delivering to the Secretary of the Company a written notice of termination of the proxy's authority, by filing with the Secretary of the Company another proxy bearing a later date, or by appearing and voting at the meeting. This Proxy Statement and the form of proxy enclosed are being mailed to shareholders commencing on or about July 19, 2000.

Votes cast by proxy or in person at the Annual Meeting will be tabulated by the inspectors of election appointed by the Company for the meeting, and the number of shareholders present in person or by proxy will determine whether or not a quorum is present. The inspectors of election will treat abstentions as shares that are present and entitled to vote for purposes of determining the presence of a quorum for all matters. Shares abstaining will be treated as unvoted. If a broker indicates on the proxy that it does not have discretionary authority as to certain shares to vote on a particular matter, those shares will not be considered as present and entitled to vote by the inspectors of election with respect to that matter. The three persons receiving the most votes will be elected for directors and the ratification for the appointment of the auditors will be determined by a majority of the votes cast.

Only the holders of the Company's Common Stock whose names appear of record on the Company's books at the close of business on July 14, 2000 will be entitled to vote at the annual meeting. At the close of business on July 14, 2000, a total of 8,865,082 shares of Common Stock were outstanding. The holders of one-third of the shares of Common Stock issued and outstanding and entitled to vote at the 2000 Annual Meeting, present in person or represented by proxy, will constitute a quorum for the transaction of business. If a quorum should not be present, the 2000 Annual Meeting may be adjourned from time to time until a quorum is present. Holders of Common Stock are entitled to one vote per share on all matters submitted to a vote of shareholders, except that with respect to the election for directors every shareholder shall have the right to vote, in person or by proxy, the number of shares owned by the holder for as many persons as there are directors to be elected, or to cumulate the holder's votes by giving one candidate the number of votes which is equal to the number of directors to be elected multiplied by the number of the holder's shares, or by distributing such cumulated votes among any number of candidates.

Participants in the Company's Employee Stock Ownership Plan (ESOP) are entitled to instruct the trustee of the ESOP how to vote all shares of Common Stock allocated to participants' accounts under the ESOP. Each participant

will receive a voting instruction card to direct the trustee to vote that participant's allocated shares. If a participant does not timely return a completed voting instruction card, the trustee will vote the shares allocated to that participant in the same proportion as the shares which are voted by all participants under the ESOP. The trustee of the ESOP will vote any unallocated shares of Common Stock held by the ESOP in the same proportion as the shares allocated to the participants' accounts.

Participants in the Company's 401k plan who have Daktronics shares as one of their 401k selections are entitled to instruct the trustee of the 401k plan how to vote their shares of Common Stock. Each participant will receive a voting instruction card to direct the trustee to vote that participant's shares. If a participant does not timely return a completed voting instruction card, the trustee will vote the shares allocated to that participant in the same proportion as the shares which are voted by all participants under the 401k plan.

Expenses in connection with the solicitation of proxies will be paid by the Company. Proxies are being solicited primarily by mail, but, in addition, officers and regular employees of the Company who will receive no extra compensation for their services may solicit proxies by telephone, telecopier or personal calls. The Company may reimburse brokerage firms and others for their expenses in forwarding solicitation materials to the beneficial owners of Common Stock.

A copy of the Company's Annual Report for the fiscal year ended April 29, 2000 is being furnished to each shareholder with this Proxy Statement.

PROPOSAL NO. 1 - ELECTION OF DIRECTORS

Pursuant to the Company's Articles of Incorporation, the Board of Directors is divided into three classes serving staggered three-year terms expiring at each successive annual meeting of shareholders. The terms of Frank J. Kurtenbach, James A. Vellenga and Roland J. Jensen expire at the 2000 Annual Meeting; James B. Morgan, John L. Mulligan and Duane E. Sander expire at the 2001 Annual Meeting, and Aelred J. Kurtenbach, Charles S. Roberts and Nancy D. Frame expire at the 2002 Annual Meeting

The persons named in the accompanying proxy will vote for the election of the three nominees described herein, unless authority to vote is withheld. The Board of Directors has been informed that each of the three nominees is willing to serve as a director; however, if any nominee should decline or become unable to serve as a director for any reason, the proxy may be voted for such other person as the proxies shall, in their discretion, determine.

The following table sets forth certain information as of July 14, 2000 concerning the three nominees for election as directors of the Company and the continuing directors:

Name and Age Position with Company

NOMINEES FOR TERMS EXPIRING AT THE 2000 ANNUAL MEETING

Frank J. Kurtenbach (62)	Vice President, Sales and Director
Roland J. Jensen (69)	Director
James A. Vellenga (65)	Director

DIRECTORS FOR TERMS EXPIRING AT THE 2001 ANNUAL MEETING

James B. Morgan (53)	President, Chief Operating Officer and Director
Duane E. Sander (62)	Secretary and Director
John L. Mulligan (61)	Director

DIRECTORS FOR TERMS EXPIRING AT THE 2002 ANNUAL MEETING

Aelred J. Kurtenbach (66)	President and Director
Charles S. Roberts (75)	Director
Nancy D. Frame (55)	Director

AELRED J. KURTENBACH, PH.D. is a co-founder of the Company and has served as a director of the Company since its incorporation. Dr. Kurtenbach is currently serving as Chairman of the Board of Directors. He also served as President of the Company until 1999. He served as Treasurer until 1993. Dr. Kurtenbach has 43 years of experience in the fields of communication engineering and control system design, technical services, computer systems, electrical engineering education and small business management. Dr. Kurtenbach has B.S., M.S. and Ph.D. degrees in Electrical Engineering from South Dakota School of Mines and Technology, the University of Nebraska and Purdue University, respectively.

CHARLES S. ROBERTS, M.D. has served as a director of the Company since 1968. Prior to his retirement in 1991, Dr. Roberts was engaged in family practice and internal medicine at the Brookings Clinic, Brookings, South Dakota.

NANCY D. FRAME was the Deputy Director of the United States Trade and Development Agency in Washington, D.C., a position she has held from 1986 to 1999. Previous to that she held various positions in the legal profession. She obtained her law degree from Georgetown University, Washington, D.C.

FRANK J. KURTENBACH joined the Company in 1979 as Sales Manager of the Standard Scoreboard Division, which was expanded to include other products in 1981. He has served as Sales Manager for the Company since 1982, as a director since 1984 and as Vice President, Sales since November 1993. Mr. Kurtenbach has a M.S. degree from South Dakota State University. Aelred Kurtenbach and Frank Kurtenbach are brothers.

ROLAND J. JENSEN worked in various capacities from 1960 to 1990 with Northern States Power Company, an electric and natural gas utility, ending his service as Senior Vice President of Power Supply. From 1990 to his retirement in January 1994, he was Chairman and CEO of NRG Energy, Inc., a Minneapolis-based energy services company. Mr. Jensen has served as a director of the Company since 1994.

JAMES A. VELLENGA was elected as a director in 1997. Mr. Vellenga is currently VP of Technology and previously served as VP of Operations responsible for Product Development, Manufacturing and Quality Assurance at Aetrium, Inc. in St. Paul, MN. He was previously a founding officer of Lee Data Corp., and prior to that he was one of the early employees at Data 100 Corp. until its acquisition by Northern Telecom. Mr. Vellenga holds a B.S. degree in Electrical Engineering from South Dakota State University.

JAMES B. MORGAN joined the Company in 1969 as a part-time engineer while earning his M.S. degree in Electrical Engineering from South Dakota State University. Mr. Morgan became President and Chief Operating Officer of the Company in 1999. He served as its Vice President, Engineering, with responsibility for product development, contract design, project management for customer contracts, and corporate information and scheduling systems, from 1976 to 1999. Mr. Morgan has also served as a director since 1984.

DUANE E. SANDER, PH.D. is a co-founder of the Company and has served as a director and as Secretary of the Company since its incorporation. Dr. Sander is currently employed as Dean of Engineering at South Dakota State University where he has taught electrical engineering courses and directed biomedical research projects since 1967.

JOHN L. MULLIGAN was elected as a director of the Company in 1993. He currently is employed as a financial services specialist with Morgan Stanley Dean Witter, in the same capacity as when he was employed with Mesirow Financial from late 1990 through mid 1993. In 1993 and 1994, he served as principal of Mulligan Financial, a financial services firm which he founded. From 1967 to March 1990, he served as President, Chairman, Chief Executive Officer and director of American Western Corporation.

DIRECTOR COMPENSATION

The current nonemployee directors of the Company include Messrs. Mulligan, Sander, Roberts, Jensen, Frame, and Vellenga. During fiscal 2000 each non-employee director received, for their services as a director, a \$2,000 retainer, \$1,500 for each meeting attended in person, \$500 for each committee meeting attended in person (telephonic participation in all meetings at one-half rate), and reimbursement of all out-of-pocket expenses incurred in attending meetings. The nonemployee directors also receive stock options under the Company's 1993 Outside Directors Stock Option Plan. In August 1999, Mr. Roberts and Ms. Frame each received 18,000 shares under the 1993 Outside Directors Stock Option Plan, which are subject to vesting restrictions under the plan and have an exercise price of \$8.295 per share. The number of shares and the option price have been adjusted to reflect the two-for-one stock split declared December 7, 1999. Dr. Sander does not receive any additional compensation for serving as Secretary of the Company.

COMMITTEES AND MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors of the Company has an Audit Committee consisting of John L. Mulligan (chair), James A. Vellenga and Duane E. Sander; and a Compensation Committee consisting of Roland Jensen (chair), Charles S. Roberts, and Nancy Frame. The Company has no standing nominating committee. The Board as a whole performs the functions which would otherwise be delegated to a nominating committee.

The Board of Directors held four regular and three telephone meetings during fiscal 2000. All incumbent directors attended at least 75% of the Board meetings. The Board also passed several resolutions during fiscal 2000 by written consent.

The Audit Committee held two meetings in Fiscal 2000. The Audit Committee reviews the activities of the Company's independent accountants and the results of audits made by these professionals.

The Compensation Committee held two meeting during fiscal 2000. The Compensation Committee (the "Committee") is responsible for making recommendations to the Board of Directors regarding compensation of the Company's executive officers and stock option awards under the Company's 1993 Stock Option Plan. None of the members of the Committee are employees of the Company and all executive officers who serve on the Board of Directors abstain from voting on compensation affecting those executive officers who are Board members.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Roland Jensen (chair), Charles S. Roberts and Nancy Frame served as the members of the Compensation Committee during Fiscal 2000. There are no compensation committee interlocks with other companies and none of the members of the committee has been an officer, employee or insider of the Company or its subsidiaries.

EXECUTIVE COMPENSATION

CASH AND OTHER COMPENSATION

The following table sets forth the cash and noncash compensation for each of the last three fiscal years awarded to or earned by the Company's Chief Executive Officer, and each of the other executive officers, whose total annual salary and bonus exceeded \$100,000 during fiscal 2000.