



March 19, 2019

Via Email

Mr. Brent J. Fields, Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090

Re: File No. S7-26-18

Dear Mr. Fields,

Thank you for opportunity to respond to the Request for Comment on Earnings Releases and Quarterly Reports (Release No. 33-10588; 34-84842). Daktronics designs, manufactures, sells and services dynamic visual communication systems for customers worldwide. Daktronics is a public corporation whose stock is traded on the NASDAQ national market under the symbol DAKT. For more information, see our website at www.Daktronics.com or review our [public SEC Filings](#).

Daktronics appreciates the Commission's concerns with regards to investors' needs for timely and pertinent financial information and the time and expense accrued by corporations' in complying with these regulations. We submit the following comments as a publicly traded company.

We believe that the quarterly 10-Q is burdensome without providing much additional value to the investing public beyond information already provided in our Annual Report.

- We would suggest the option for all publicly traded companies to submit their financial results on a semi-annual basis, and recommend we have an ability to file in simplified form such as an 8-K only.
- Timely 8-K releases should continue for significant events.
- Semi-annual reporting has been used in Europe without adverse results and with the benefit of increasing those corporations' competitiveness through lower administrative costs.
- Semi-annual reporting would decrease any incentive towards a short-term result driven strategy and improve the long-term planning of corporations.
- Semi-annual reporting would decrease negative investor behavior incentivized by short-term results and improve the focus of building corporations for long-term success for investors and other stakeholders like employees.
- The current quarterly 10-Q cycle is time consuming, costly, and distracts management from the daily business demands of the corporation.



- A lower barrier of administrative compliance costs would also tend to encourage more private companies to access public markets as well as revitalize existing public companies.
- Daktronics expends over 1,000 hours and approximately \$100,000 dollars **per quarter** complying with quarterly 10-Q requirements. This estimate excludes system and process development costs needed to capture this information regularly and accurately and excludes the costs of external auditor review. This is a substantial burden for the corporation and puts our focus on compliance versus growing and building the business for long-term value.
- Daktronics only receives on average of one question PER YEAR from the investing public regarding our 10-Q filing per year. And since much of the information presented is a repeat from the Annual Report and our business results can be quite lumpy since we are in a large project business, we conclude the investors glean more information from our annual filings and analysis provided.
- Moving to a semi-annual timeframe would lessen the number of quiet periods and therefore increase the amount of engagement the corporation can have with the public.
- Finally, the timeframe of our 10-Q filings extends the timing of our quarterly numbers and/or earnings calls. We may be able to provide a simplified semi-annual report closer to the end of the period, giving more timely information to the public.

Thank you again for the opportunity to comment and your consideration of our concerns. Please feel free to contact us if you have any further questions.

Sincerely,

A handwritten signature in cursive script that reads 'Sheila Anderson'.

Sheila M. Anderson
CFO & Treasurer