

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF INDIANA**

[Plaintiffs], on behalf of themselves and all others similarly situated,	:	CIVIL ACTION NO.
	:	
Plaintiff,	:	CLASS ACTION COMPLAINT
	:	
v.	:	
	:	
STEEL DYNAMICS, INC., -and KEITH BUSSE and JOHN C. BATES,	:	JURY TRIAL DEMANDED
	:	
Defendants.	:	

Plaintiff, by and through counsel, alleges the following upon personal knowledge as to Plaintiffs' act and on information and believe as to all other allegations based upon the investigation of counsel which has included, *inter alia*:

- (a) review and analysis of filings made by Steel Dynamics, Inc., Inc. ("SDI" or the "Company") with the Securities and Exchange Commission ("SEC");
- (b) review and analysis of securities analysts' reports concerning SDI; review and analysis of press releases issued by SDI;
- (c) review and analysis of SDI's January 27, 2009 Q4 2008 Earnings Conference Call ; and
- (d) review and analysis of media reports regarding SDI.

Further facts relating to the securities violations alleged herein are exclusively within the control of defendants.

NATURE OF THE CASE

1. This is a securities class action on behalf of all persons who purchased or acquired the common stock of defendant SDI between January 27, 2009 and March 11 2009, inclusive (“the Class Period”) (the "Class"). The claims asserted in the action arise under Section 10(b) of the Securities and Exchange Act of 1934 (the "Exchange Act"), Rule 10b-5 promulgated thereunder by the SEC, and Section 20(a) of the Exchange Act.

2. During the Class Period, defendants made false and misleading statements and failed to disclose material facts concerning SDI’s inventory levels, steel operations and shipments and financial results. In addition, based on these false and misleading statements of current fact, defendants misled the market by issuing false and misleading earnings guidance. As the direct result of defendants wrongful actions, the common stock of SDI traded at artificially inflated prices throughout the Class Period. This earnings guidance permitted directors John Bates, who is the Company’s Co-Founder, and is believed to be its largest individual shareholder to sell 2.5 million of his beneficially owned SDI shares into the open market for proceeds of over \$30 million in an 11 day span, from January 29, 2009 to February 8, 2009. Bates was in a unique position to influence the public earnings projections of SDI—as SDI’s most recent proxy stated: “Mr. Bates is considered a non-independent outside director as a result of ownership and control of Heidtman Steel, a substantial purchaser of steel from our Company and, therefore, precluded from being considered independent.” Indeed, Heidtman Steel is more than just a “substantial purchaser” of steel from SDI; it is SDI’s

largest customer. Any projections as to demand for SDI's products would naturally be derived from steel demand information provided by Heidtman and Bates. Due to Bates' desire to dump his shares into the public market, SDI was caused to make (and thereafter throughout the Class Period failed to withdraw) a reckless projection which inflated the price of the shares during the Class Period, and the price at which Bates was able to sell his shares.

3. The Company needed to write-down inventories at its flat roll steel division. Additionally, this was driven by decrease in *shipping volumes* and a weakness in the market for recycled metals and scrap in combination with the falling prices of metals. Thus, SDI's profitability was negatively affected during the Class Period. As a result of these known facts at the beginning of the Class Period, defendants provided earnings guidance to the market which defendants knew SDI would not be able to achieve. Alternatively, defendants had no basis in facts for such projections, and were reckless in issuing them.

4. When defendants disclosed the truth to the market on March 11, 2009, the price of SDI's common stock dropped 15% to close at \$7.25, on volume of more than 33 million shares, many times the average trading day volume for SDI common stock.

5. As a result of the foregoing, the purchasers of the Company's common stock during the Class Period suffered substantial damages because the market price thereof was artificially inflated by defendants' misrepresentations and omissions during the Class Period. Accordingly, plaintiff seeks damages and other appropriate relief to

compensate Class members for the losses caused by defendants' violations of the securities laws.

JURISDICTION AND VENUE

6. This Court has jurisdiction over the subject matter of this action pursuant to Section 27 of the Exchange Act, 15 U.S.C. § 78aa, 28 U.S.C. § 1331, and 28 U.S.C. § 1367.

7. Venue is proper in this District pursuant to Section 27 of the Exchange Act, 15 U.S.C. § 78aa, and 28 U.S.C. § 1391(b) and (c). SDI maintains its executive offices in this District at 6714 Pointe Inverness Way, Fort Wayne, Indiana. In addition, many of the acts and transactions giving rise to the violations of law alleged herein, including the preparation and dissemination to the public of materially false and misleading information, occurred in this District.

8. In connection with the wrongs complained of herein, defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including the United States mails and interstate telephone communications, and the facilities of the NASDAQ Exchange, a national securities exchange.

THE PARTIES

9. Plaintiffs purchased SDI common stock as set forth in the certifications attached hereto at artificially inflated prices during the Class Period and have been damaged thereby.

10. Defendant SDI describes itself as the nation's fifth largest producer of carbon steel products with 2008 sales of \$4.4 billion. SDI operates five electric furnace

mini mills. In 2007, the Company acquired OmniSource Corp, one of the country's largest ferrous scrap processors which is also based in Indiana and operates scrap processing facilities in 42 locations.

11. The Individual Defendants identified below served, at times relevant to the claims set forth herein, as directors of SDI as follows (the "Individual Defendants"):

A. Defendant Keith E. Busse ("Busse"), a co-founder of the Company, is and has been since 1993, SDI's Chief Executive Officer and a member of the Company's Board of Directors. Busse was a principal spokesperson on the Q4 2008 Earnings Conference Call and the March 11, 2009 Conference Call and in SDI's press releases.

B. Defendant John C. Bates ("Bates"), a co-founder of the Company, is and has been since 1993, the President and Chief Executive Officer and a director of Heidtman Steel Products, Inc., the Company's largest customer for its steel products and a director of the Company since 1994. During the Class Period, Bates sold over 25 million of his own SDI common shares for proceeds of over \$30 million. Bates was in a unique position to influence the public earnings projections of SDI—as SDI's most recent proxy stated: "Mr. Bates is considered a non-independent outside director as a result of ownership and control of Heidtman Steel, a substantial purchaser of steel from our Company and, therefore, precluded from being considered independent." Indeed, Heidtman Steel is more than just a "substantial purchaser" of steel from SDI; it is SDI's largest customer. Headquartered in Toledo, Ohio, Heidtman Steel is a world leader in marketing flat-rolled carbon steel products sold through its sixteen state-of-the-art

processing facilities. Any projections as to demand for SDI's products would naturally be derived from steel demand information provided by Heidtman and Bates.

12. Because of the Individual Defendants' positions with the Company, they had access to the adverse undisclosed information about its business, operations, revenue recognition and reserve policies, operational trends, finances, markets and present and future business prospects *via* access to internal corporate documents (including the Company's operating plans, budgets and forecasts and reports of actual operations compared thereto), conversations and connections with other corporate officers and employees, attendance at management and Board of Directors' meetings and committees thereof and *via* reports and other information provided to them in connection therewith.

13. It is appropriate to treat the Individual Defendants as a group for pleading purposes and to presume that the materially false, misleading and incomplete information conveyed in the Company's public filings, press releases and other publications as alleged herein are the collective actions of the narrowly defined group of defendants identified above. Each of the Individual Defendants, by virtue of their positions with the Company, directly participated in the management of the Company, was directly involved in the day-to-day operations of the Company at the highest levels and was privy to confidential proprietary information concerning the Company and its business, operations, prospects, growth, finances, recognition and reserve policies and financial condition, as alleged herein. The Individual Defendants made the false and misleading statements, as alleged herein, and were involved in drafting, producing,

reviewing and/or disseminating the materially false and misleading statements and information alleged herein, were aware, or recklessly disregarded, that the false and misleading statements were being issued regarding the Company and approved or ratified these statements, in violation of the federal securities laws.

14. As officers and/or directors and controlling persons of a publicly-held company whose common stock was, and is, registered with the SEC pursuant to Section 12 of the Exchange Act, 15 U.S.C. § 781 to the Exchange Act, traded on the NASDAQ, and governed by the provisions of the federal securities laws, the Individual Defendants each had a duty to disseminate promptly accurate, complete and truthful information with respect to the Company's financial condition and performance, growth, operations, business, markets, management, earnings and present and future business prospects, and to correct any previously-issued statements that had become materially misleading or untrue, so that the market price of the Company's publicly-traded securities would be based upon truthful, complete and accurate information. The Individual Defendants' misrepresentations and omissions during the Class Period violated these specific requirements and obligations.

15. The Individual Defendants, because of their positions of control and authority as officers and/or directors of the Company, were able to and did control the content of the various SEC filings, press releases and other public statements pertaining to the Company during the Class Period. Each Individual Defendant was provided with copies of the documents alleged herein to be misleading prior to or shortly after their issuance and/or had the ability and/or opportunity to prevent their

issuance or cause them to be corrected. Accordingly, each of the Individual Defendants is responsible for the accuracy of the public reports and releases detailed herein and is therefore primarily liable for the misrepresentations and misleading statements contained therein. Busse and Bates each signed the Company's SEC Form 200810-K, filed with the SEC on February 27, 2009, and the required certifications included therein.

16. Each of the defendants is liable as a participant in a fraudulent scheme and course of business that operated as a fraud or deceit on purchasers of SDI common stock, by disseminating materially false and misleading statements and/or concealing material adverse facts. The scheme: (a) deceived the investing public regarding SDI's financial condition, business, present and future prospects, growth, operations and the intrinsic value of its common stock; and (b) caused plaintiff and other members of the Class to purchase SDI common stock at artificially inflated prices during the Class Period.

PLAINTIFF'S CLASS ACTION ALLEGATIONS

17. 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 persons who purchased or acquired SDI common stock between January 27, 2009 and March 11, 2009, inclusive (the "Class Period"), and who were damaged thereby. Excluded from the Class are defendants, the officers and directors of the Company and its subsidiaries and affiliates, 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.

18. The members of the Class are so numerous that joinder of all members is impracticable. 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 thousands of members in the proposed Class. As of February 13, 2009, SDI had more than 181 million shares of common stock outstanding. Throughout the Class Period, SDI's common stock was actively traded on the NASDAQ under the ticker symbol "STLD." Record owners and other members of the Class may be identified from records maintained by SDI 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.

19. 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 laws that are complained of herein.

20. 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.

21. 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 and/or omitted material facts about the financial condition, business, operations, income, expenses and growth of SDI; and

(c) To what extent the members of the Class have sustained damages and the proper measure of damages.

22. 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.

**APPLICABILITY OF PRESUMPTION OF RELIANCE:
FRAUD-ON-THE-MARKET DOCTRINE**

23. At all relevant times, the market for SDI common stock was an efficient market for the following reasons, among others:

(a) SDI common stock met the requirements for listing, and was listed and actively traded on the NASDAQ, a highly efficient and automated market;

(b) As a regulated issuer, SDI filed periodic public reports with the SEC and the NASDAQ;

(c) SDI regularly communicated with public investors *via* established market communication mechanisms, including regular dissemination of press releases

on the national circuits of major newswire services and other wide-ranging public disclosures, such as communications with the financial press, securities analysts and other similar reporting services; and

(d) SDI was followed by numerous securities analysts employed by major brokerage firms, banks and investment houses who participated in SDI's Q4 2008 Earnings Conference Call and 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.

24. As a result, the market for SDI common stock promptly digested current information regarding SDI from all publicly available sources and reflected such information in SDI's stock price. Under these circumstances, all purchasers of SDI common stock during the Class Period suffered similar injury through their purchase of SDI's common stock at artificially inflated prices and a presumption of reliance applies. Further, plaintiff is entitled to and will rely on the presumption of reliance doctrine based on the material omissions alleged herein.

**MATERIALLY FALSE AND MISLEADING
STATEMENTS ISSUED DURING THE CLASS PERIOD**

25. On January 26, 2009, SDI reported its results for the fourth quarter of 2008 and full year. In the release the Company announced another strong year of growth, achieving record full-year 2008 results despite weak fourth-quarter sales and shipments and fourth-quarter losses from unrealized hedging losses and inventory write-downs. Net sales for the year grew to a record \$8.1 billion, an increase of 84 percent compared to net sales of \$4.4 billion in 2007. The increase in sales for 2008

resulted primarily from the acquisition of OmniSource Corporation in October 2007 and from additional metals recycling operations in mid-2008, plus significantly higher average selling prices for steel and recycled metals during 2008. Net Income for 2008 was a record \$463 million, a 17 percent increase from \$395 million in 2007. Diluted earnings per share in 2008 were \$2.38, up 18 percent compared to \$2.01 in 2007. Net cash flow from operating activities for 2008 was \$775 million, compared to \$428 million in 2007.

26. Defendant Busse stated:

"It is strange to be reporting the best year in the company's history and at the same time the company's worst quarter," said Keith Busse, Chairman and CEO. "The steel industry took it on the chin in the fourth quarter as orders dried up, and Steel Dynamics was not exempted. The combination of weaker demand, inventory reductions in both distribution and at the OEM level, and the commercial paralysis brought about by tight credit markets led to very slow order activity. This resulted in fourth-quarter production curtailments at our mills and metals-recycling facilities. We have started the new year with somewhat better activity, but we cannot be certain how long it will take the steel and scrap markets to return to more normal demand patterns. All of our SDI facilities are currently operating well below capacity. However, the company is prepared to ramp up very quickly with any pick-up in business activity.

"We believe that SDI is well positioned with our low, variable cost structure and state-of-the-art facilities that are capable of cost-effectively producing excellent, high-quality products. We are optimistic that, even if we continue to encounter lackluster demand for steel and scrap for several quarters, we will return to profitability in the first quarter and remain profitable in 2009, assuming no recurrence of dramatic price swings such as those experienced in the second half of 2008. Our very preliminary estimate is that we could achieve earnings of \$0.05 to \$0.15 per diluted share in the first quarter. If needed, further guidance will follow later in the quarter as visibility improves. We continue to believe that earnings for the full year 2009 could, under somewhat improved circumstances, be comparable to those achieved in 2008. We are focusing on cash management and controlling costs tightly, utilizing free cash flow to continue to pay down debt on our revolving line of credit and continue funding capital expenditures for critical projects that are

underway," Busse said.

These statements were false and misleading as alleged in ¶134 below.

27. Subsequently, the next day, on January 27, 2009, the Company held a Q4 2008 Earnings Conference Call, in which Defendant Busse and others from SDFI participated. Defendants provided detailed information concerning SDI's 2008 results and the impact on SDI's 2009 results. For example, Defendant Busse began by stating,

I think I'll probably lead off with the opening statement in the fifth paragraph of our press release, which says it's strange to be reporting the best year in the company's history and at the same time the company's worst quarter and we're thankful to have that quarter behind us.

That quarter obviously was full of pain and agony, most of which was felt in our scrap and scrap processing divisions where substantial losses, . . . were incurred, which would tell you that most of the loss we're reporting was at this point in time in that segment and – as expected, I think, - and much of it was operating in nature. When scrap goes from \$875 a ton, for prime goods, down to \$175 a ton month-by-month until it reached its bottom you can imagine the loses were substantial. And I'm happy to be able to report that we think that the processing division will be back in the black in the first quarter and we'll have an operating profit during the quarter. So we're please about that.

Busse also stated,

So, we will generate decent earnings – not decent, but I mean, given the fourth quarter climate, rebounding earnings, let's put it that way. We had earnings in the fourth quarter but offset by other issues from a total company perspective, but we should generate earnings in the first quarter in almost all of our steel divisions.

28. Defendants' statements made, as set forth in ¶¶25 through 27 were material misrepresentations and omissions because defendants knew, but failed to disclose, or recklessly disregarded, at the time they made their statements that demand

for flat rolled steel and other steel products did not justify or support any such projection. Indeed, Bates had particular knowledge of this through his ownership of Heidtman, and led SDI into making its statements so that he could engage in unusual insider selling and realize proceeds of in excess of \$30 million.

THE TRUTH IS REVEALED

29. In a surprising and sudden reversal, on March 11, 2009, defendants issued a press release in which it updated the Company's outlook for the first quarter of 2009. The Company stated: "Due to continued weakness in market conditions, the company is reducing its first quarter estimate of earnings from \$0.05 to \$0.10 per diluted share, to a loss of \$0.40 to \$0.45 per diluted share." Defendants attributed an estimated \$70 million of these losses to non-cash inventory adjustments at the Flat Roll Division. Additionally, the Company disclosed that the metals recycling operations are also expected to report a loss for the first quarter as scrap prices continue to fall and recycled-metals shipping volumes come in much lower than projected.

30. The market reacted very strongly to defendants' admissions, coming only six weeks after the Q4 08 Earnings Conference Call. The price of SDI common stock dropped \$1.30, on volume in excess of 33 million shares, to close at \$7.25 on March 12, 2008, a decline of 15%. This was the biggest daily loss since December 1, 2008.

31. 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 SDI's business, prospects, operations and financial condition. These material misstatements and omissions had the cause and effect of creating in the market an unrealistically positive assessment of SDI and its business, prospects, operations and financial condition, thus causing the Company's common stock to be overvalued and artificially inflated during the Class Period. Defendants' materially false and misleading statements during the Class Period resulted in plaintiff and other members of the Class purchasing the Company's common stock at an artificially inflated price, thus causing the damages complained of herein. When full disclosure of SDI's true financial condition was made, the market price of SDI's common stock declined in immediate and direct reaction thereto and has not thereafter recovered in value.

FIRST CLAIM

(Violations Of Section 10(b) Of The Exchange Act And Rule 10b-5 Promulgated Thereunder Against All Defendants)

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

33. During the Class Period, SDI and the Individual Defendants, and each of them, carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (a) deceive the investing public, including plaintiff and other Class members, as alleged herein; (b) artificially inflate and maintain the market price of SDI common stock; and (c) cause plaintiff and other members of the Class to purchase SDI common stock at inflated prices. In furtherance of this unlawful scheme,

plan and course of conduct, defendants, and each of them, took the actions set forth herein.

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

35. In addition to the duties of full disclosure imposed on defendants as a result of their making of affirmative statements and reports, or participation in the making of affirmative statements and reports to the investing public, the defendants had a duty to promptly disseminate truthful information that would be material to investors in compliance with the integrated disclosure provisions of the SEC as embodied in SEC Regulation S-X (17 C.F.R. Sections 210.01 *et seq.*) and Regulation S-K (17 C.F.R. Sections 229.10 *et seq.*) and other SEC regulations, including accurate and truthful information with respect to the Company's operations, financial condition and earnings so that the market price of the Company's common stock would be based on truthful, complete and accurate information.

36. SDI and the Individual 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 the business, operations, future prospects and financial condition, of SDI as alleged herein. The 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 SDI's 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 SDI and its business operations and future prospects in the 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 SDI common stock during the Class Period.

37. Each of the Individual Defendants' primary liability and controlling person liability arise from the following facts: (a) the Individual Defendants were high-level senior executives and/or directors at the Company during the Class Period and members of the Company's management team or had control thereof; (b) each of these defendants, by virtue of his 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; (c) 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 and operations at all relevant times; and (d) 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.

38. 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 SDI's operating and financial condition and future business prospects from the investing public and supporting the artificially inflated price of its securities. As demonstrated by defendants' misstatements of the Company's financial statements, business, operations and earnings 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.

39. 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 prices of SDI common stock were artificially inflated during the Class Period. In ignorance of the fact that market prices of SDI's common stock 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 trade, and/or on 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 SDI's common stock during the Class Period at artificially high prices and were damaged thereby.

40. At the time of said misrepresentations, 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 of the true financial condition and business prospects of SDI, which were not disclosed by defendants, plaintiff and other members of the Class would not have purchased or otherwise acquired their SDI common stock during the Class Period, 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.

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

42. As a direct and proximate result of defendants' wrongful conduct, plaintiff and the other members of the Class suffered damages in connection with their purchases of the Company's common stock during the Class Period.

SECOND CLAIM

(Violation Of Section 20(a) Of The Exchange Act Against The Individual Defendants)

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

44. The Individual Defendants acted as controlling persons of SDI within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions and/or awareness of the Company's operations and/or intimate knowledge of the Company's finances, 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.

45. In particular, each of the Individual Defendants had direct and/or 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. The Individual Defendants culpably participated in the commission of the wrongs alleged herein.

46. As alleged above, SDI 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 common stock during the Class Period.

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

A. Determining that this action is a proper class action and certifying plaintiff as Lead Plaintiff and as class representative 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. Granting such other and further relief as the Court may deem just and proper.

DEMAND FOR A JURY TRIAL

Plaintiff hereby demands a trial by Jury.

Date:

[Attorneys]