

DIGITAL ALLY RECEIVES *DVM-500 PLUS* ORDER FROM STATE OF WISCONSIN

Company Receives Initial Orders for *LaserAlly* LIDAR Speed Detection Systems

OVERLAND PARK, Kansas (July 1, 2010) – Digital Ally, Inc. (Nasdaq: DGLY), which develops, manufactures and markets advanced video surveillance products for law enforcement, homeland security and commercial security applications, today announced that it has received a re-order from the Wisconsin State Patrol for its ***DVM-500 Plus In-Car Digital Video Systems***. The order, which is valued at approximately \$750,000, represents the largest purchase to date from the State of Wisconsin.

“It is very gratifying to see customer relationships that were established early in our corporate history continue to expand and mature, as evidenced by this latest order from the Wisconsin State Patrol,” stated Stanton E. Ross, Chief Executive Officer of Digital Ally, Inc. “In 2006, Wisconsin became one of the first customers to enter into a statewide contract with Digital Ally. The contract allows not only the Wisconsin State Patrol, but also all other municipal, county and state law enforcement agencies in Wisconsin, to purchase the Company’s *DVM* systems at the same negotiated prices. Statewide contracts are typically renewed annually. After several renewals of its original contract, Wisconsin awarded a new contract to Digital Ally last year and renewed the contract in 2010. The latest *DVM-500 Plus* order represents the third large order received from the Wisconsin State Patrol since 2006.”

The Company also announced that it has received initial customer orders for its recently introduced ***LaserAlly* LIDAR system** for vehicle speed detection and has responded to numerous requests for “test and evaluation” units from law enforcement agencies. Often referred to as “laser”, LIDAR is an acronym for Light Detection And Ranging, a technology that allows police and other law enforcement officers to pinpoint the speed and direction of a vehicle in single or multi-lane traffic. LIDAR speed detection systems differ from RADAR systems by using light waves, instead of radio waves, to measure speed. LIDAR systems also have a much narrower beam, which allows the operator to accurately identify a speeding vehicle in highly congested traffic.

“We are pleased that law enforcement agencies have responded to the introduction of our new, feature-rich *LaserAlly* LIDAR System with considerable enthusiasm,” added Ross. “This is evident in the fact that we have begun receiving orders for the new speed detection device less than two months following its initial product launch. We have also received favorable preliminary test results from several law enforcement agencies, including a large Sheriff’s Department and a State Highway Patrol agency. Last week, the *LaserAlly* system was involved in a third-party test against the leading LIDAR systems and LIDAR ‘jammers’, and our LIDAR system was the only one that the LIDAR detectors could neither detect nor jam. We believe the ability of *LaserAlly* to read vehicle speeds even when cars are equipped with LIDAR ‘jammers’ represents a significant competitive advantage for Digital Ally in the marketplace.”

About Digital Ally, Inc.

Digital Ally, Inc. develops, manufactures and markets advanced technology products for law enforcement, homeland security and commercial security applications. The Company's primary focus is digital video imaging and storage. For additional information, visit www.digitalallyinc.com

The Company is headquartered in Overland Park, Kansas, and its shares are traded on The Nasdaq Capital Market under the symbol "DGLY".

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Act of 1934. These forward-looking statements are based largely on the expectations or forecasts of future events, can be affected by inaccurate assumptions, and are subject to various business risks and known and unknown uncertainties, a number of which are beyond the control of management. Therefore, actual results could differ materially from the forward-looking statements contained in this press release. A wide variety of factors that may cause actual results to differ from the forward-looking statements include, but are not limited to, the following: whether the federal economic stimulus funding for law enforcement agencies will have a positive impact on the Company's revenue; the Company's ability to deliver its new product offerings as scheduled, including its ability to obtain the required components on a timely basis, and have them perform as planned or advertised; its ability to achieve record revenue and operating income in 2010 in the current uncertain economic environment; its ability to expand its share of the in-car video market in the domestic and international law enforcement communities, and in the LIDAR market, in particular; whether there will be a commercial market, domestically and internationally, for one or more of its new products, including its new LaserAlly system; whether the initial interest in its new products will translate into sales; its ability to commercialize its products and production processes, including increasing its production capabilities to satisfy orders in a cost-effective manner; whether the Company will be able to adapt its technology to new and different uses, including being able to introduce new products such as the LaserAlly LIDAR system on a timely and cost effective basis; competition from larger, more established companies with far greater economic and human resources; its ability to attract and retain customers and quality employees; its ability to obtain patent protection on any of its products and, if obtained, to defend such intellectual property rights; the effect of changing economic conditions; and changes in government regulations, tax rates and similar matters. These cautionary statements should not be construed as exhaustive or as any admission as to the adequacy of the Company's disclosures. The Company cannot predict or determine after the fact what factors would cause actual results to differ materially from those indicated by the forward-looking statements or other statements. The reader should consider statements that include the words "believes", "expects", "anticipates", "intends", "estimates", "plans", "projects", "should", or other expressions that are predictions of or indicate future events or trends, to be uncertain and forward-looking. The Company does not undertake to publicly update or revise forward-looking statements, whether as a result of new information, future events or otherwise. Additional information respecting factors that could materially affect the Company and its operations are contained in its annual report on Form 10-K for the year ended December 31, 2009, and its quarterly report on Form 10-Q for the three months ended March 31, 2010, as filed with the Securities and Exchange Commission.

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