

## **DIGITAL ALLY, INC. SELECTED AS FINALIST FOR “2006 INNOVATION AWARDS”**

### **INDEPENDENT PANEL OF LAW ENFORCEMENT PROFESSIONALS SELECTS COMPANY’S DIGITAL SURVEILLANCE TECHNOLOGY AS ONE OF THREE PRODUCT CATEGORY FINALISTS FOR *LAW ENFORCEMENT TECHNOLOGY* AND *LAW ENFORCEMENT PRODUCT NEWS* AWARD**

**LEAWOOD, Kansas (September 28, 2006)** – Digital Ally, Inc. (Pink Sheets: DGLY), which develops, manufactures and markets advanced technology products for law enforcement, homeland security and commercial security applications, today announced that it has been selected as one of 3 finalists in its product category for the “**2006 INNOVATION Award**” from *Law Enforcement Technology* and *Law Enforcement Product News* magazines.

The annual INNOVATION awards recognize “those outstanding companies whose products respond to market challenges with creativity and innovation”. Digital Ally was one of hundreds of companies that submitted entries in this year’s INNOVATION Awards formal judging, which consisted of an independent panel of law enforcement professionals. There are only 3 finalists in each of the 16 product categories. The winners in each product category will be announced at a ceremony on October 15, 2006, at the **113<sup>th</sup> Annual International Chiefs of Police Conference (IACP)** in Boston. The IACP is the world’s oldest and largest non-profit membership organization of police executives, with over 20,000 members in more than 89 different countries.

Winners of the INNOVATION awards will be featured in a special editorial in the December issue of *Law Enforcement Technology* and the November/December issue of *Law Enforcement Product News* magazines. Specific “2006 INNOVATION Awards Winner” logo artwork for use in print and online advertising will be provided to all winners, and the website *Officer.com* will feature a special section showcasing the 2006 INNOVATION Awards winners.

“We are extremely pleased to have been selected by an independent panel of law enforcement professionals as a 2006 INNOVATION Award finalist,” noted Stanton E. Ross, Chief Executive Officer of Digital Ally, Inc. “The most important judges of new products are the police and law enforcement professionals who use them every day in the field. Our first two digital surveillance products, the **Compact Digital In-Car Video System Integrated Into A Rear-View Mirror (“DVM”)** and **Digital Video Flashlight (“DVF”)**, have been very well received by law enforcement agencies throughout the U.S., Canada and in several other countries, and we look forward to the introduction of a third product at this year’s IACP conference.”

## About Digital Ally, Inc.

Digital Ally, Inc. is involved in the development, manufacturing and marketing of advanced technology products for law enforcement, homeland security and commercial security applications. The Company's primary development focus involves the field of Digital Video Imaging and Storage. For additional information, visit [www.digitalallyinc.com](http://www.digitalallyinc.com)

The Company is headquartered in Leawood, Kansas, and its shares are traded on the Pink Sheets 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: the Company's ability to raise sufficient capital to implement its business plan; its ability to have all of its product offerings perform as planned or advertised; whether there will be a commercial market for one or more of its products; its ability to commercialize its products and production processes, generate sufficient revenues and achieve profitability, including achieving \$10 million in revenues in 2006; whether the Company will be able to adapt its technology to new and different uses, including being able to introduce one new product in 2006; 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 always 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", 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.*

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