

JURISDICTION AND VENUE

2. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of the Exchange Act [15 U.S.C. §§§§ 78j(b) and 78t(a)] and Rule 10b-5 promulgated thereunder by the Securities and Exchange Commission ("SEC") [17 C.F.R. §§ 240.10b-5].

3. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§§§ 1331 and 1337 and Section 27 of the Exchange Act [15 U.S.C. §§ 78aa].

4. Venue is proper in this District pursuant to Section 27 of the Exchange Act, and 28 U.S.C. §§ 1391(b). Many of the acts charged herein, including the preparation and dissemination of materially false and misleading information, occurred in substantial part in this District and Gerber Scientific maintain its chief executive offices and principal place of business within this District.

5. In connection with the acts alleged in this complaint, defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, the mails, interstate telephone communications and the facilities of the national securities markets.

PARTIES

6. Plaintiff Jamie Berger, as set forth in the accompanying certification, incorporated by reference herein, purchased the common stock of Gerber Scientific at artificially inflated prices during the Class Period and has been damaged thereby.

7. Defendant Gerber Scientific maintains its principal place of business at 83 Gerber Road West, South Windsor, CT 06074. The Company purports to be an international supplier of automated manufacturing systems. The Company's computer-based systems, equipment, software and aftermarket supplies are used by a variety of industries, including apparel, sign making, commercial

printing, electronics, optical, aerospace and automotive.

8. (a) Defendant Michael J. Cheshire ("Cheshire") was, at all relevant times, the Company's Chairman and Chief Executive Officer until his resignation on November 29, 2001.

(b) Defendant Marc T. Giles ("Giles") has served as the Company's President, Chief Executive Officer and a director since November 29, 2001.

(c) Defendant George M. Gentile ("Gentile") has served as Chairman of the Board of Gerber Scientific since November 29, 2001. Prior to this appointment he had served as the Company's Chairman and Chief Executive Officer from August 1996 until his retirement in June 1998. He had also previously served as the Company's Chief Financial Officer.

(d) Defendant Shawn M. Harrington ("Harrington") has served as the Company's Chief Financial Officer since November 29, 2001.

(e) Defendant Gary K. Bennett ("Bennett") has served as the Company's Chief Financial Officer and Senior Vice President of Finance until his resignation in July 2001.

(f) Defendant Anthony L. Mattacchione ("Mattacchione"), at all relevant times, has served as the Company's Corporate Controller, Acting Principal Accounting Officer.

(g) Defendants Cheshire, Giles, Gentile, Harrington, Bennett and Mattacchione are collectively referred to herein as the "Individual Defendants."

9. Because of the Individual Defendants' positions with the Company, they had access to the adverse undisclosed information about its business, operations, products, operational trends, financial statements, 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.

10. It is appropriate to treat the Individual Defendants as a group for pleading purposes and to presume that the 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 above officers of Gerber Scientific, by virtue of their high-level 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, products, growth, financial statements, and financial condition, as alleged herein. Said defendants were involved in drafting, producing, reviewing and/or disseminating the 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.

11. As officers and controlling persons of a publicly-held company whose common stock was, and is, registered with the SEC pursuant to the Exchange Act, traded on the New York Stock Exchange ("NYSE"), and governed by the provisions of the federal securities laws, the Individual Defendants each had a duty to disseminate promptly, accurate and truthful information with respect to the Company's financial condition and performance, growth, operations, financial statements, business, products, 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 and accurate information. The Individual Defendants' misrepresentations and omissions during the Class Period violated these specific requirements and obligations.

12. The Individual Defendants participated in the drafting, preparation, and/or approval of the various public and shareholder and investor reports and other communications complained of herein and were aware of, or recklessly disregarded, the misstatements contained therein and omissions therefrom, and were aware of their materially false and misleading nature. Because of their Board membership and/or executive and managerial positions with Gerber Scientific, each of the Individual Defendants had access to the adverse undisclosed information about Gerber Scientific's business prospects and financial condition and performance as particularized herein and knew (or recklessly disregarded) that these adverse facts rendered the positive representations made by or about Gerber Scientific and its business issued or adopted by the Company materially false and misleading.

13. 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 representations contained therein.

14. 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 Gerber Scientific common stock by disseminating materially false and misleading statements and/or concealing material adverse facts. The scheme: (i) deceived the investing public regarding Gerber Scientific's business, finances, financial statements and the intrinsic value of Gerber Scientific common stock; and (ii) caused plaintiff and other members of the Class to purchase Gerber Scientific securities at artificially inflated prices.

PLAINTIFF'S CLASS ACTION ALLEGATIONS

15. 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 those who purchased or otherwise acquired the securities of Gerber Scientific between May 27, 1999 and April 12, 2002, inclusive (the "Class Period") and who were damaged thereby. Excluded from the Class are defendants, the officers and directors of the Company, 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.

16. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Gerber Scientific common shares were actively traded on the NYSE. 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 hundreds or thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by Gerber Scientific 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.

17. 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 law that is complained of herein.

18. 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.

19. 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 material facts about the business, operations, financial statements of Gerber Scientific; and
- (c) to what extent the members of the Class have sustained damages and the proper measure of damages.

20. 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.

SUBSTANTIVE ALLEGATIONS

21. Gerber Scientific purports to be an international supplier of automated manufacturing systems. The Company's computer-based systems, equipment, software and aftermarket supplies are used by a variety of industries, including apparel, sign making, commercial printing, electronics, optical, aerospace and automotive.

22. On April 15, 2002, before the market opened, Gerber Scientific announced that it expected to take a \$12 million pre-tax charge in its fiscal fourth quarter, the period ending April 30, 2002. Additionally, Gerber Scientific announced that, in response to an investigation by the SEC into its inventory and reserve accounting practices, it was conducting an internal review of its financial reporting for the period January 1, 1998 through April 30, 2002. The Company further stated that its investigation is ongoing and once it has been completed, the Company will likely restate its financial results for the appropriate periods.

23. In response to the Company's announcements, the price of Gerber Scientific common stock declined to \$6.99 per share, a decline of more than 71%, from a Class Period high of \$24.50 per share, reached on July 6, 1999. As a result of defendants' fraud, investors who purchased Gerber Scientific common stock on the open market during the Class Period, relying on the integrity of Gerber Scientific's financial statements and defendants' public statements, have sustained damages.

24. As now revealed, at all times during the Class Period, defendants issued materially false and misleading financial statements and press releases concerning Gerber Scientific's revenues, income and earnings per share. The financial statements of the Company made during the Class Period, all of which implicitly and/or expressly were prepared in conformity with generally accepted accounting

principles ("GAAP"), were materially false and misleading because the Company materially overstated its revenues, income, earnings and net worth.

**Materially False And Misleading
Statements Made During The Class Period**

25. The Class Period begins on May 27, 1999. On that date, Gerber Scientific issued a press release announcing its financial results for the fourth quarter of fiscal 1999, the period ending April 30, 1999. For the fourth quarter of fiscal 1999, the Company reported revenue of \$149.6 million, a 24% increase from the fourth quarter of fiscal 1998. For the full fiscal year, the Company's revenues increased 38%, to \$594.6 million, from the prior fiscal year. Defendant Cheshire commented on the Company's performance, stating, in pertinent part, as follows:

I'm encouraged by our strong fourth quarter. New products such as the Gerber Edge 2 are having an immediate, positive impact on sales, with more new product releases to follow shortly. In addition, we experienced an uptick in our international markets in the fourth quarter, dampened somewhat by the weakening of Euro-based currencies.

26. Gerber Scientific's financial results for the full year of fiscal 1999, the period ending April 30, 1999, were repeated in the Company's Report on Form 10-K filed with the SEC on or about July 26, 1999 which was signed by defendants Cheshire, Gentile and Bennett. 27. On August 19, 1999, Gerber Scientific issued a press release announcing its financial results for its first quarter of fiscal 2000, the period ending July 31, 1999. For the first quarter of fiscal 2000, the Company reported that revenue decreased to \$139.5 million, compared with \$153.7 million in the prior year. Defendant Cheshire commented on the Company's performance, stating, in pertinent part, as follows:

We had a good start to fiscal 2000 with substantial earnings growth and healthy order entry. I am particularly encouraged by the enthusiastic market response to our new products, which further enable our customers to mass customize their products. We

expect the large increase in backlog will drive revenue to rebound from first quarter levels and enable the company to sustain its strong earnings momentum.

28. Gerber Scientific's financial results for the first quarter of fiscal 2000, the period ending July 31, 1999, were repeated in the Company's Report on Form 10-Q filed with the SEC on or about September 7, 1999, which was signed by defendant Bennett. In the 10-Q, defendants assured investors that:

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included.

29. On November 18, 1999, Gerber Scientific issued a press release announcing its financial results for its second quarter of fiscal 2000, the period ending October 31, 1999. For the second quarter of fiscal 2000, the Company reported that revenue increased 2% over the prior year to \$152.9 million. Defendant Cheshire commented on the Company's performance, stating, in pertinent part, as follows:

Our second quarter results were right on target, with substantial earnings growth and continued healthy new order volume. We had expected the large increase in first quarter backlog to drive a revenue rebound and sustain the Company's strong earnings momentum. We achieved that in the second quarter, and entered the third quarter with an even higher backlog. This bodes well for continued year-over-year earnings growth. [Emphasis added.]

30. Gerber Scientific's financial results for the second quarter of fiscal 2000, the period ending October 31, 1999, were repeated in the Company's Report on Form 10-Q filed with the SEC on or about December 9, 1999, which was signed by defendant Bennett. In the 10-Q, defendants assured investors that:

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included.

31. On February 17, 2000, Gerber Scientific issued a press release announcing its financial results for its third quarter of fiscal 2000, the period ending January 31, 2000. For the third quarter of fiscal 2000, the Company reported that revenue increased 10% over the prior year to \$155.5 million. Defendant Cheshire commented on the Company's performance, stating, in pertinent part, as follows:

I'm pleased with strong double-digit gains in revenue and earnings despite weak European currencies. This marks our 12th consecutive quarter of solid year-over-year EPS gains led by exciting new products, timely acquisitions, geographic expansion and improved profitability in the optical lens processing segment.

32. Gerber Scientific's financial results for the third quarter of 2000, the period ending January 31, 2000, were repeated in the Company's Report on Form 10-Q filed with the SEC on or about March 3, 2000, which was signed by defendant Bennett. In the 10-Q, defendants assured investors that:

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included.

33. On May 25, 2000, Gerber Scientific issued a press release announcing its financial results for its fourth quarter of fiscal 2000, the period ending April 30, 2000. For the fourth quarter of fiscal 2000, the Company reported that revenue increased 9% over the prior year to \$162.8 million. For the full fiscal year 2000, revenues climbed to \$610.7 million from \$594.6 million the previous year. Defendant Cheshire commented on the Company's performance, stating, in pertinent part, as follows:

It is clear that the Euro, at near record low levels, will put further pressure on revenues and profit margins in our new fiscal year, which began on May 1, 2000. At the same time, economies are strong in Europe and we will enjoy a significant rebound when currencies return to more normal levels.

34. Gerber Scientific's financial results for the full year of fiscal 2000, the period ending

April 30, 2000, were repeated in the Company's Report on Form 10-K filed with the SEC on or about July 27, 2000 which was signed by defendants Cheshire, Gentile and Bennett. 35. On August 17, 2000, Gerber Scientific issued a press release announcing its financial results for its first quarter of fiscal 2001, the period ending July 31, 2000. For the first quarter of 2000, the Company reported that revenue decreased to \$138.4 million from \$139.5 in the prior year. Defendant Cheshire commented on the Company's performance, stating, in pertinent part, as follows:

We did not realize the top-line growth necessary to meet our earnings objectives in the first quarter. . . . The favorable impact of our cost reduction actions will begin to emerge in the second quarter and provide a lift to earnings. And we anticipate sequentially improving sales as new product introductions take hold and we resolve the new product issues in the Sign Making segment.

36. Gerber Scientific's financial results for the first quarter of fiscal 2001, the period ending July 31, 2000, were repeated in the Company's Report on Form 10-Q filed with the SEC on or about September 13, 2000, which was signed by defendant Bennett. In the 10-Q, defendants assured investors that:

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included.

37. On November 30, 2000, Gerber Scientific issued a press release announcing its financial results for its second quarter of fiscal 2001, the period ending October 31, 2000. For the second quarter of fiscal 2001, the Company reported that revenue decreased \$10 million from the prior year to \$142.9 million. Defendant Cheshire commented on the Company's performance, stating, in pertinent part, as follows:

Gerber's cash flow generation in the second quarter, which came from better working capital management will continue to be a major focus for the remainder of the year

Although second quarter earnings were within the range of analysts' expectations, those results were suppressed by weakness in our North American and European markets.

38. Gerber Scientific's financial results for the second quarter of fiscal 2001, the period ending October 31, 2000, were repeated in the Company's Report on Form 10-Q filed with the SEC on or about December 14, 2000, which was signed by defendant Bennett. In the 10-Q, defendants assured investors that:

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included.

39. On March 1, 2001, Gerber Scientific issued a press release announcing its financial results for its third quarter of fiscal 2001, the period ending January 31, 2001. For the third quarter of fiscal 2001, the Company reported that revenue decreased to \$134.2 million from \$155.5 million in the third quarter of fiscal 2000. Defendant Cheshire commented on the Company's performance, stating, in pertinent part, as follows:

The continued strength of the dollar also had a negative impact on our competitiveness, especially in Europe. We must take substantial cost actions in light of the changing economic conditions to ensure we emerge from the downturn as a stronger, leaner, and more focused company.

40. Gerber Scientific's financial results for the third quarter of fiscal 2001, the period ending January 31, 2001, were repeated in the Company's Report on Form 10-Q filed with the SEC on or about March 16, 2001, which was signed by defendant Bennett. In the 10-Q, defendants assured investors that:

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included.

41. On May 31, 2001, Gerber Scientific issued a press release announcing its financial

results for its fourth quarter of fiscal 2001, the period ending April 30, 2001. For the fourth quarter of fiscal 2001, the Company reported that revenue decreased to \$137.5 million from \$162.9 million in the fourth quarter of fiscal 2000. Defendant Cheshire commented on the Company's performance, stating, in pertinent part, as follows:

Fourth quarter results reflect the weakness in demand for capital equipment in each of our business segments, especially in North America. . . . Although we remain cautious about the near term outlook for our markets and the continued strength of the dollar, the restructuring initiatives will enable Gerber Scientific to return to profitability as a leaner, more focused company.

42. Gerber Scientific's financial results for the full year of fiscal 2001, the period ending April 30, 2001, were repeated in the Company's Report on Form 10-K filed with the SEC on or about July 26, 2001, which was signed by defendants Cheshire, Gentile and Mattacchione. 43. On August 23, 2001, Gerber Scientific issued a press release announcing its financial results for its first quarter of fiscal 2002, the period ending July 31, 2001. For the first quarter of fiscal 2002, the Company reported that revenue decreased 9.8% to \$124.9 million from \$138.4 million in the first quarter of fiscal 2001. Defendant Cheshire commented on the Company's performance, stating, in pertinent part, as follows:

Substantial cost reduction actions taken last year have begun to mitigate the impact of the reduced revenue on earnings. Considering these conditions, it is difficult to predict future demand for our equipment and related impact on our financial results. However, we expect less volatility from our aftermarket sales, which represents over 60 percent of our total revenue and overall earnings should continue to improve over the prior year.

44. Gerber Scientific's financial results for the first quarter of fiscal 2002, the period ending July 31, 2001, were repeated in the Company's Report on Form 10-Q filed with the SEC on or about

September 13, 2001, which was signed by defendant Mattacchione. In the 10-Q, defendants assured investors that:

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included.

45. On November 29, 2001, Gerber Scientific issued a press release announcing its financial results for its second quarter of fiscal 2002, the period ending October 31, 2001. For the second quarter of fiscal 2002, the Company reported that revenue decreased 8% to \$116.4 million from \$134.2 million in the second quarter of fiscal 2001. The Company commented on its performance, stating, in pertinent part, as follows:

We are pleased with the results of our cost reduction and working capital management initiatives in this recessionary economic environment. The Apparel and Flexible Materials segment as well as the Sign Making and Specialty Graphics segment delivered strong earnings improvement despite weak new equipment orders due to restrained capital spending. Our aftermarket businesses are holding up in all segments and providing stability during these uncertain times. Debt reduction continues to be a primary focus of the Company as we execute a number of actions to generate cash.

46. Gerber Scientific's financial results for the second quarter of fiscal 2002, the period ending October 31, 2001, were repeated in the Company's Report on Form 10-Q filed with the SEC on or about December 13, 2001, which was signed by defendant Mattacchione. In the 10-Q, defendants assured investors that:

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included.

47. On February 28, 2002, Gerber Scientific issued a press release announcing its financial results for its third quarter of fiscal 2002, the period ending January 31, 2002. For the third quarter of fiscal 2002, the Company reported that revenue decreased 13.3% to \$116.4 million from \$134.2

million in the fiscal third quarter of 2000. Defendant Giles commented on the Company's performance, stating, in pertinent part, as follows:

We delivered solid operating results and continued to reduce our debt despite the weak worldwide economic conditions. . . . In addition, we implemented longer term best practices and shared service initiatives across the Company in the areas of working capital efficiency, supply chain management, manufacturing, service, and aftermarket to improve our profitability and competitiveness going forward.

48. Gerber Scientific's financial results for the third quarter of 2001, the period ending January 31, 2002, were repeated in the Company's Report on Form 10-Q filed with the SEC on or about March 13, 2002, which was signed by defendant Harrington. In the 10-Q, defendants assured investors that:

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included

49. The statements referenced above in ¶¶ 26-49 were each materially false and misleading because they failed to disclose, or misrepresented, among other things:

(a) that the Company was employing improper inventory and reserve accounting practices in violation of GAAP. As a result, the Company's operating results were materially misrepresented and overstated;

(b) that the Company lacked adequate internal controls and was therefore unable to ascertain the true financial condition of the Company; and

(c) based on the foregoing, defendants' statements concerning the prospects of Gerber Scientific were lacking in a reasonable basis at all times.

THE TRUTH IS REVEALED

50. On April 15, 2002, before the market opened, Gerber Scientific announced that it expected to take a \$12 million pre-tax charge in its fiscal fourth quarter, the period ending April 30, 2002. Additionally, Gerber Scientific announced that, in response to an investigation by the SEC into its inventory and reserve accounting practices, it was conducting an internal review of its financial reporting for the period January 1, 1998 through April 30, 2002. The Company further stated that its investigation is ongoing and once it has been completed, the Company will likely restate its financial results for the appropriate periods.

51. In response to the Company's announcements, the price of Gerber Scientific common stock declined to \$6.99 per share. As a result of defendants' fraud, investors who purchased Gerber Scientific common stock on the open market during the Class Period, relying on the integrity of Gerber Scientific's financial statements and defendants' public statements, have sustained damages.

Undisclosed Adverse Information

52. The market for Gerber Scientific's securities was open, well-developed and efficient at all relevant times. As a result of these materially false and misleading statements and failures to disclose, Gerber Scientific's common stock traded at artificially inflated prices during the Class Period. The artificial inflation continued until the time Gerber Scientific acknowledged that its prior financial results were overstated and this admission was communicated to, and/or digested by, the securities markets. Plaintiff and other members of the Class purchased or otherwise acquired Gerber Scientific securities relying upon the integrity of the market price of Gerber Scientific's securities and market information relating to Gerber Scientific, and have been damaged thereby.

53. During the Class Period, defendants materially misled the investing public, thereby

inflating the price of Gerber Scientific's securities, by publicly issuing false and misleading statements and omitting to disclose material facts necessary to make defendants' statements, as set forth herein, not false and misleading. Said statements and omissions were materially false and misleading in that they failed to disclose material adverse information and misrepresented the truth about the Company, its business and operations, including, inter alia:

(a) that the Company's financial statements were not prepared in accordance with GAAP and in accordance with the federal securities laws and SEC regulations concerning fair reporting;

(b) that the Company had violated GAAP and its own accounting policies by improperly recognizing revenues, income and earnings; and

(c) that the Company's estimates, projections and opinions as to its expected revenues, earnings, income and value of its stock were lacking in reasonable basis at all relevant times.

54. 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 Gerber Scientific's business, prospects and operations. These material misstatements and omissions had the cause and effect of creating in the market an unrealistically positive assessment of Gerber Scientific and its business, prospects and operations, thus causing the Company's securities to be overvalued and artificially inflated at all relevant times. Defendants' materially false and misleading statements during the Class Period resulted in plaintiff and other members of the Class purchasing the Company's securities at artificially inflated prices, thus causing the damages complained of herein.

THE VIOLATIONS OF GAAP AND SEC REGULATIONS

55. The deceptive accounting practices described herein were perpetrated in clear violation of GAAP and SEC Rules and Regulations. GAAP are those principles recognized by accounting profession as the conventions, rules and procedures necessary to define accepted accounting practiced at a particular time.

56. SEC Regulation S-X (17 C.F.R. and section 210.4-01(a)(1)) states that financial statements filed with the SEC which are not prepared in compliance with GAAP are presumed to be misleading and inaccurate, despite footnote or other disclosure. Regulation S-X requires that interim financial statements must also comply with GAAP, with the exception that interim financial statements need not include disclosure which would be duplicative of disclosures accompanying annual financial statements (17 C.F.R. section 210.10-10(a)).

57. As set forth in Accounting Principles Board ("APB") Opinion No. 28, "Interim Financial Reporting," "Each interim period shall be viewed primarily as an integral part of an annual period. The results for each interim period shall be based on the accounting principles and practices used by an enterprise in the preparation of its latest annual financial statements unless a change in an accounting practice or policy has been adopted in the current year."

58. GAAP requires the restatement of previously issued financial statements for the correction of a material error in the financial statements of a prior period. "Errors in financial statements result from mathematical mistakes, mistakes in the application of accounting principles, or oversight or misuse of facts that existed at the time the financial statements were prepared." APB No. 20. In this case, the restatement is due to the misuse of facts that existed at the time the original financial statements

were prepared and were known about and recklessly disregarded by defendants at the time the false financial statements were issued. Accordingly, the announced anticipated restatement of Gerber Scientific's previously reported financial results is in and of itself an admission that the originally issued financial information was materially false and misleading when made.

59. Due to the accounting improprieties announced in the April 15, 2002 press release, the Company presented its financial results and statements in a manner which violated GAAP, including the following fundamental accounting principles:

a) The principle that financial reporting should provide information that is useful to present and potential investors and creditors and other users in making rational investment, credit and similar decisions (FASB Statement of Concepts No. 1, ¶ 34);

b) The principle that financial reporting should provide information about the economic resources of an enterprise, the claims to those resources, and effects of transactions, events and circumstances that change resources and claims to those resources (FASB Statement of Concepts No. 1, ¶ 40);

c) The principle that financial reporting should be reliable in that it represents what it purports to represent (FASB Statement of Concepts No. 2, ¶¶ 58-59);

d) The principle of completeness, which means that nothing is left out of the information that may be necessary to insure that it validly represents underlying events and conditions (FASB Statement of Concepts NO. 2, ¶ 79);

e) The principle that conservatism be used as a prudent reaction to uncertainty to try to ensure that uncertainties and risks inherent in business situations are adequately considered

(FASB Statement of Concepts No. 2, ¶¶ 95, 97); and

f) The principle that revenues and related earnings should not be recognized until earned and that expenses should be recognized in the period incurred. (FASB Statement of Concepts No. 5 and FASB Statement No. 5 - "Accounting for Contingencies").

60. As a result of these materially fraudulent accounting practices and false public statements, the price of Gerber Scientific's common stock was artificially inflated throughout the Class Period.

ADDITIONAL SCIENTER ALLEGATIONS

61. As alleged herein, defendants acted with scienter in that defendants knew that the public documents and statements issued or disseminated in the name of the Company were materially false and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws. As set forth elsewhere herein in detail, defendants, by virtue of their receipt of information reflecting the true facts regarding Gerber Scientific, their control over, and/or receipt and/or modification of Gerber Scientific's allegedly materially misleading misstatements and/or their associations with the Company which made them privy to confidential proprietary information concerning Gerber Scientific, participated in the fraudulent scheme alleged herein.

**Applicability Of Presumption Of Reliance:
Fraud-On-The-Market Doctrine**

62. At all relevant times, the market for Gerber Scientific's securities was an efficient market for the following reasons, among others:

(a) Gerber Scientific's stock met the requirements for listing, and was listed and actively traded on the NYSE, a highly efficient and automated market;

(b) As a regulated issuer, Gerber Scientific filed periodic public reports with the SEC and the NYSE;

(c) Gerber Scientific regularly communicated with public investors via established market communication mechanisms, including through regular disseminations of press releases on the national circuits of major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services; and

(d) Gerber Scientific was followed by several securities analysts employed by major brokerage firms 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.

63. As a result of the foregoing, the market for Gerber Scientific's securities promptly digested current information regarding Gerber Scientific from all publicly available sources and reflected such information in Gerber Scientific's stock price. Under these circumstances, all purchasers of Gerber Scientific's securities during the Class Period suffered similar injury through their purchase of Gerber Scientific's securities at artificially inflated prices and a presumption of reliance applies.

NO SAFE HARBOR

64. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this complaint. Many of the specific statements pleaded herein were not identified as "forward-looking statements" when made. To the extent there were any forward-looking statements, there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. Alternatively, to the extent that the statutory safe harbor does apply to any forward-looking statements pleaded herein, defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the particular speaker knew that the particular forward-looking statement was false, and/or the forward-looking statement was authorized and/or approved by an executive officer of Gerber Scientific who knew that those statements were false when made.

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

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

66. During the Class Period, Gerber Scientific 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: (i) deceive the investing public, including plaintiff and other Class members, as alleged herein; (ii) artificially inflate and maintain the market price of Gerber Scientific's securities; and

(iii) cause plaintiff and other members of the Class to purchase Gerber Scientific's securities at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, defendants, and each of them, took the actions set forth herein.

67. 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 securities in an effort to maintain artificially high market prices for Gerber Scientific's securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5. All defendants are sued either as primary participants in the wrongful and illegal conduct charged herein or as controlling persons as alleged below.

68. 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, 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 securities would be based on truthful, complete and accurate information.

69. Gerber Scientific 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 and future prospects of Gerber Scientific as specified herein.

70. These 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 Gerber Scientific'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 Gerber Scientific 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 Gerber Scientific's securities during the Class Period.

71. Each of the Individual Defendants' primary liability, and controlling person liability, arises from the following facts: (i) the Individual Defendants were high-level executives and/or directors at the Company during the Class Period and members of the Company's management team or had control thereof; (ii) 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; (iii) 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, operations, and sales at all relevant times; and (iv) 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.

72. 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 Gerber Scientific's operating condition and future business prospects from the investing public and supporting the artificially inflated price of its securities. As demonstrated by defendants' overstatements and misstatements of the Company's 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.

73. 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 price of Gerber Scientific's securities was artificially inflated during the Class Period. In ignorance of the fact that market prices of Gerber Scientific's publicly-traded securities 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 Gerber Scientific securities during the Class Period at artificially high prices and were damaged thereby.

74. At the time of said misrepresentations and omissions, 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 Gerber Scientific, which were not disclosed by defendants, plaintiff and other members of the Class would not have purchased or otherwise acquired their Gerber Scientific securities, 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.

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

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

SECOND CLAIM

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

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

78. The Individual Defendants acted as controlling persons of Gerber Scientific within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions, and their ownership and contractual rights, participation in and/or awareness of the Company's operations and/or intimate knowledge of the false financial statements filed by the Company with the SEC and disseminated to the investing public, 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.

79. In particular, each of these defendants had direct and 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.

80. As set forth above, Gerber Scientific 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 securities during the Class Period.

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

- (a) Determining that this action is a proper class action, designating plaintiff as Lead Plaintiff and certifying plaintiff as a class representative under Rule 23 of the Federal Rules of Civil Procedure and plaintiff's counsel as Lead Counsel;
- (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) Such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

Dated: April 18, 2002

By: _____

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