

Next Week's Requirements for Dell Appraisal Rights

[Immediate priorities for reserving appraisal rights](#) [Provisions for "Review Panel" support of participating investors](#) [Rumor of the week](#)

This holiday week has set the stage for final decision-making in the proposed Dell buyout. While observing the poker plays, shareholders should of course be prepared to choose their own best options.

Immediate priorities for reserving appraisal rights

For any investor who thinks there is any chance of wanting to secure the option of appraisal rights, it is important to immediately initiate the process of delivering the required written demand letter. This seemingly simple administrative task commonly takes about ten business days: a beneficial shareholder has to instruct its custodian to get an authorized person to deliver an executed form to the Depository Trust Company, which in turn prepares a form of letter that is returned to the custodian for delivery to Dell. If that process is not completed prior to July 18, you will not be entitled to appraisal rights.

Remember that if you get the demand letter delivered by the deadline, you can easily cancel the demand for appraisal by either voting in favor of the proposed transaction or withdrawing the demand at any time up to 60 days after the closing of a transaction. But if you fail to get the demand letter delivered, you will not have this choice.

It should be noted that today was the last day the Dell Valuation Trust was accepting responsibility for processing appraisal demands, other than by approval of exceptions, and that independently processed demands will require review by the Trust's attorneys to be eligible for Trust support.

Provisions for "Review Panel" support of participating investors

To accommodate investor requirements of both being informed and being heard in an appraisal process that was designed before the development of SEC reporting regulations, we have been developing plans for a "Review Panel" as a key element of the Dell Valuation Trust.

- **Members:** Any holder or group of holders of 1% of eligible appraisal rights supported by the Trust will be able to delegate a legal or valuation expert to serve on the Panel.
- **Staffing:** The Trust will provide staffing and administrative support for all required reporting, research, meeting and other functions of the Panel.
- **Monitoring and access:** Members of the Panel will meet with counsel for the appraisal process monthly and as developments require to review the progress of the proceedings and any issues that concern investors, and will have access to confidential information (subject to their acceptance of a conventional confidentiality agreement).

- Offering views: Members will be expected to offer views for consideration of appraisal counsel and other Members of the Panel, but will not be responsible for actions of the Trust or appraisal counsel.
- Research: The Panel will be able to request research relating to the interests of appraisal rights holders, including surveys of holder interests.
- Reporting: Reports will be prepared quarterly and in relation to specific developments the Panel considers worth addressing, and each Member may provide individual comments to be included with the reports. (The reports will of course be reviewed to assure that they do not include any disclosures of confidential information that could make a recipient an “insider.”)

Your suggestions or comments will be welcomed to refine these provisions during the next week.

Rumor of the week

This past week’s most interesting Forum-related rumor was from institutional investors reporting they had heard that I reported they were participating in the appraisal rights project.

For those of you who may not know, publicly posted Forum policies do not allow the identification of any participant without specific permission. Also, the stated conditions of Dell Valuation Trust services restrict disclosures to the requirements of private arrangements. Be assured that I have not violated these policies or any other privacy commitment. You can therefore assume that someone who tells you that I have disclosed something private has either been misled or is doing the misleading. And you should ask yourself why.

The most likely explanation of this week’s misleading statements is that somebody is trying to trick investors into disclosing whether they plan to vote against the buyout as required to secure appraisal rights. Viewing it positively, this level of effort at intelligence gathering should encourage your reliance on the buyout’s proponents to know whether the number of shares demanding appraisal rights is reaching a level that threatens approval of the transaction.

The poker players among you will then be able to read the signals to play your hands.

GL – July 5, 2013

Gary Lutin
Chairman, The Shareholder Forum
575 Madison Avenue, New York, New York 10022
Tel: 212-605-0335
Email: gl@shareholderforum.com