

## Reserving Value Realization Alternatives Before the Dell Vote

### [Securing the essential alternatives](#) [Support of marketability and independent investor control](#)

Dell shareholders who have satisfied the procedural requirements for demanding appraisal of their stock<sup>1</sup> will be able to reserve rights to consider several alternatives for value realization. As summarized below, these include opportunities to sell the rights or to hold them, as well as the widely reported option to drop the rights and accept the offered \$13.75 at any time until 60 days after the merger's effective date.<sup>2</sup>

Securing any or all of the available alternatives will not involve significant burdens. However, what it will require is timely attention prior to the stockholder meeting scheduled for this coming Thursday, September 12.

### Securing the essential alternatives

If you have already delivered the required written demand,<sup>3</sup> there should be no additional actions or costs involved in simply reserving the rights. It is necessary only that you not vote in support of the merger – either abstaining or not voting at all may be preferable to a negative vote, so that you will not contribute to a possible defeat of the transaction that creates your opportunity for “fair value” realization – and that you continue ownership of the relevant shares until the effective date of the merger.

Perfecting the right to appraisal will allow you to consider these essential alternatives:

- ▶ Obtain the “fair value” appraised by the court,<sup>4</sup> plus compounded interest at 5% over the Federal Reserve discount rate
- ▶ Sell or settle the appraisal rights, either during the “60 day option period” or later
- ▶ Withdraw the demand and take the \$13.75 offer price at any time until 60 days after the effective date

No commitments to any course, or to any costs, should be required to keep all of these options open until 60 days after the effective date.

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<sup>1</sup> See [Dell's instructions](#), referring to the section titled “Rights of Appraisal” beginning on page 180 of the company's [definitive proxy statement dated May 30, 2013](#).

<sup>2</sup> See the “[Practical value realization and ‘no brainer’ options](#)” section of the [August 23, 2013 Forum Report: Choosing Fair Value over Auction Price for Dell](#).

<sup>3</sup> If you have not yet initiated the demand process, it is probably too late for you to secure appraisal rights for your stock. Assuming you are a beneficial rather than direct owner of shares, it is unlikely that your custodian and Depository Trust Company can be motivated to complete their administrative processes in less than a week.

<sup>4</sup> A report on Delaware standards for “fair value” will be distributed to Forum participants early next week.

## Support of marketability and independent investor control

Investors concerned with assurances of marketability, monitoring, or the ability to manage their appraisal rights independently of other investors may want to reserve the required support of those interests for optional future use.

As previously reported,<sup>5</sup> owners of stock for which appraisal has been demanded can ask the Dell Valuation Trust to determine the eligibility of those rights for Trust management. If the Trust's legal counsel is satisfied with the documentation, the Trust will provide a certification of eligibility and a commitment to accept responsibility for managing the anticipated appraisal rights, if and as the owner or its assignee decides to authorize the Trust. This is intended to assure the owner, and any prospective assignee, of the availability of support for a marketable investment in appraisal rights, without any obligation of the owner to proceed with it.

Trust certification or alternative means of similar support can significantly enhance the value of appraisal rights for investors who consider these benefits relevant:

- *The rights can be held by a regulated fund manager that requires liquidity and administrative efficiency.*
- *The owner of the rights will not be under pressure to sell or settle.*
- *Prospective assignees will know that the owner is not under pressure to sell or settle.*
- *The owner and prospective assignees will be able to rely upon delegate reporting of information required for investor decisions.*
- *The owner can make investment decisions independently of other appraisal rights investors.*

Questions about these alternatives, or about participation in the program for investors who anticipate regular attention to appraisal rights, will be welcomed.

*GL – September 6, 2013*

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<sup>5</sup> See the [July 12, 2013 Forum Report: Plan for Support of Dell Appraisal Rights](#).