

Dell Initiates Appeal of Appraisal Case

Yesterday, the day after a final order was entered in the case,¹ Dell filed a notice of appeal from that order and the May 31, 2016 decision that established the fair value of shares:

- [November 22, 2016, In Re: Appraisal of Dell, Inc. \(Consol. C. A. No. 9322-VCL\): Respondent Dell Inc. Notice of Appeal](#) (147 pages, 4.9 MB, in [PDF](#) format)

The amount to be paid to claimants eligible for the appraisal award could be affirmed, increased or decreased by an appellate decision, but whatever amount is ultimately determined to be the fair value will continue to accrue compounding interest at the statutory rate of 5% over the Federal Reserve discount rate (currently 1.0%). Assuming a one year wait for the appeal process, investors may consider that 6% rate attractive for the short term debt of Dell, which now has a Ba1/BB+ credit rating.²

For those of you considering an appeal relating to Dell's obligation to offer its 88 cent per share settlement to claimants other than lead counsel's direct clients, Dell's initiation of the appeal process may reduce the burdens of pursuing your interests.³

And for all of us concerned with the broader applications of Delaware's rights to appraisal of fair value, the appellate review will determine which elements of the exemplary Dell case decisions can be relied upon to guide future cases.

GL – November 23, 2016

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¹ See the [November 22, 2016 Forum Report: Dell Appraisal Case Formally Concluded](#).

² See the recent [Moody's](#) and [S&P Global](#) ratings updates for Dell Inc.

³ See [November 17, 2016 Forum Report: Dell Provides Copy of Secret Settlement, Confirming First Version of Terms](#).