

## Dell Objections to Shareholder Demands for Appraisal

Dell has prepared an “Amended Verified List” of demands for appraisal, delivered the evening of Presidents’ Day to counsel for the petitioner Cavan Partners and the Dell Valuation Trust.<sup>1</sup> The affidavit of the company’s lawyer states that the List has been updated from their initial November 25, 2013 filing to reflect currently known facts since “a number of stockholders have withdrawn their demands for appraisal and/or accepted the merger consideration,” and also since Dell “has continued to investigate whether the stockholders listed on the verified list are entitled to appraisal.”

One of Dell’s sworn statements requires comment. The Amended List now includes a claimed objection to the previously unchallenged Cavan demand, stating “A check for the merger consideration has been issued to the stockholder.” We have of course confirmed that Cavan did not request or agree to any payment, and is not aware of any check being delivered. In any event, Dell’s claim does not seem to make sense because Delaware law states that a demand for appraisal cannot be withdrawn by an investor who has commenced a proceeding,<sup>2</sup> and Dell obviously knows that Cavan was the stockholder that commenced the proceeding<sup>3</sup> to which their Verified List responds.

We can only speculate about the meaning and purpose of Dell’s unconventional objection. This kind of claim was not made in relation to any of the other 213 listed demands for appraisal. This is especially notable since there were objections to 97 other demands based on claimed payments (all but one for individual investors), but stated very differently as a conventional challenge: “The stockholder has been paid the merger consideration, and consequently is ineligible for appraisal.”

Legal counsel will of course address Dell’s objection during the course of the proceeding, but there appears to be no reason for concern about the viability of the Cavan petition. One view of the odd objection, in fact, is that we should consider it to be a very positive indication that Dell could find no better way to discourage the progress of a Trust petitioner that is clearly secure from either legal eligibility challenges or investment liquidity pressures.

*GL – February 19, 2014*

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<sup>1</sup> A copy of the filing can be made available upon request: February 17, 2014, *Cavan Partners, LP, a Dell Valuation Trust participant, petitioner, v. Dell Inc., respondent*, Del. Ch. CA No. 9046, Respondent’s Amended Verified List Pursuant to 8 Del. C. § 262(f).

<sup>2</sup> See [Delaware General Corporation Law, § 262\(e\)](#).

<sup>3</sup> See the [October 30, 2013 Forum Report: Initiation of Proceedings for Appraisal of Dell Intrinsic Value](#).