IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE APPRAISAL OF DELL, INC. :
: Consol. C.A. No. 9322-VCL

THE MAGNETAR FUNDS' REPLY MEMORANDUM IN FURTHER SUPPORT OF THEIR MOTION TO COMPEL DISCOVERY RELATING TO LEAD COUNSEL'S SECTION 262(J) PETITION

Petitioners Magnetar Capital Master Fund Ltd, Magnetar Global Event Driven Master Fund Ltd, Spectrum Opportunities Master Fund Ltd, and Blackwell Partners LLC (collectively, The "Magnetar Funds"), by and through their undersigned attorneys in C.A. No. 9322-VCL (the "Dell Appraisal"), hereby submit this reply memorandum in further support of their motion for an order compelling the T. Rowe Price Petitioners[1] (the "Lead Petitioners") and lead counsel Grant and Eisenhower PA ("G&E" or "Lead Counsel") to respond to discovery and produce documents relating to Lead Counsel's Petitioner Morgan Stanley Defined Contribution Master Trust's 262(j) Petition.

1. The Court's June 29, 2016 order approving the settlement between the disqualified shares of the T. Rowe Petitioners and Dell (the "Settlement Order") has reduced the scope of this motion, but has likewise made even more acute the need for Lead Counsel to provide the Magnetar Funds the remaining requested

[1] Capitalized terms used but not defined herein shall have the meaning ascribed to them in the moving papers

discovery in order for them (and the Court) to properly assess the merits of Lead Counsel's 262(j) petition.

2. Thus, one category of discovery requests that has become moot as a result of the Settlement Order is that directed at whether Lead Counsel was conducting settlement negotiations on behalf of the T. Rowe Petitioners and whether those petitioners continued to enjoy the benefits of Lead Counsel's continued representation even after (i) the Court's July 13, 2015 ruling regarding the so-called Non-Continuous Ownership Petitioners and (ii) the Court's May 11, 2016 entitlement decision. The particular discovery requests on this subject directed to Lead Counsel, consisting of Requests for Admission #10 and Document Request #13, are now moot and can be withdrawn from consideration.

3. However, the Settlement Order brings into even sharper the focus the fact that Lead Counsel may well have certain provisions in its engagement letter with its direct clients that obligated such clients to contribute fees and expenses to Lead Counsel so as to increase the number of shares subject to the allocation of fees and expenses as requested by Lead Counsel in its 262(j) Petition, and thereby decrease the amount of fees and expenses that is to be assessed against each share. Without knowing the terms of Lead Counsel's engagement, it is impossible for the Magnetar Funds (or the Court) to fully weigh the reasonableness of Lead Counsel's 262(j) Petition.

4. The Settlement Order clearly provided for a substantial recovery by the T. Rowe Petitioners, in the amount of approximately $25 million as reported by the Wall Street Journal. Lead Counsel tried to distinguish this outcome from any efforts relating to the valuation decision, telling the Court that "it was not the valuation result . . . which occasioned the settlement–it was the prospect of an appeal as to the entitlement issues." G&E's June 30, 2016 letter to The Honorable J. Travis Laster, at 3. But this distinction is absurd; the settlement value of the entitlement issues was inextricably bound up with, and dependent upon, the Court's valuation determination. Thus, the prospect of having the approximately 31 million shares revived at the value fixed by this Court's May 31, 2016 valuation decision is precisely what posed litigation risk to Dell and settlement value for the T. Rowe Petitioners. Lead Counsel's attempt to cast the Settlement Order as somehow narrowly and exclusively related to the entitlement issue falls under its own weight; clearly the T. Rowe Petitioners benefitted substantially from the valuation ruling and should not be given a pass on their fees and expenses therefor.

5. Moreover, discovery is needed to inform the Magnetar Funds (and the Court) of just how carefully Lead Counsel calibrated its expenses in this case in proportion to the amount of appraisal shares at stake. Thus, Lead Counsel appears to have conducted this case and incurred expenses as if it were a 35-million share proceeding, when in reality it proved to be a 5.5-million share proceeding. Lead

Counsel seems to have been unfettered by the economic constraints that would have naturally been imposed upon a 5.5-million share case because Lead Counsel appears to have litigated this case on the assumption that even if its own direct clients' shares were disqualified, the non-G&E petitioners could be tagged to subsidize the expenses that the T. Rowe Petitioners would not be reimbursing (even though such expenses were incurred on their behalf). This is the very reason that the Magnetar Funds presented the entitlement issue at the outset of the case and during the course of its initial motion for co-lead appointment; otherwise, Lead Counsel would proceed – as it appears to have done – secure in the knowledge that however large the expense tab, it would be fully reimbursed by spreading those expenses across the non-G&E petitioner population, no matter how disproportionate such allocation would become. The subject Discovery Requests are needed to provide information on these issues; the Magnetar Funds are proceeding in this manner not with "ill-grace" as Lead Counsel urges but with the goal of becoming fully informed and assessing the degree to which Lead Counsel right-sized its expenses relative to the amount of shares that were truly in play.

6. Finally, Lead Counsel has represented that it would voluntarily provide the Magnetar Funds with access to the complete backup of all expenses incurred during the prosecution of the case, although such information -- which was also called for by the Discovery Requests -- has not been provided as well.

Unless and until such information is made available, the Magnetar Funds are impeded in their ability to fully and properly respond to Lead Counsel's 262(j) Petition.

7. Accordingly, the Magnetar Funds respectfully request an Order (a) compelling complete responses to the Discovery Requests and (b) a scheduling conference to adjust the dates set forth in the Court's June 3, 2016 Scheduling Order so that the requested discovery can be completed in advance of the date for oppositions to the 262(j) Petition.

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Dated: June 30, 2016

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CERTIFICATE OF COMPLIANCE WITH
TYPEFACE REQUIREMENT AND TYPE-VOLUME LIMITATION

1. This memorandum complies with the typeface requirement of Ct. Ch. R. 171(d)(4) because it has been prepared in Times New Roman 14-point typeface using Microsoft Office Word 2013.

2. This memorandum complies with the type-volume limitation of Ct. Ch. R. 171(f)(1) because it contains 976 words, which were counted by Microsoft Office Word 2013.

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CERTIFICATE OF SERVICE

Samuel T. Hirzel, II, hereby certifies that on June 30, 2016, copies of the foregoing Magnetar Funds' Reply Memorandum in Further Support of Their Motion to Compel Discovery Relating to Lead Counsel's Section 262(j) Petition were served electronically upon the following counsel:

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