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Case No. 9322-VCL



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September 2, 2016

VIA E-FILING

The Honorable J. Travis Laster
Delaware Court of Chancery
New Castle County Courthouse
500 North King Street - Suite 11400
Wilmington, DE 19801

Re: *In Re: Appraisal of Dell, Inc.*,
C.A. No. 9322-VCL

Dear Vice Chancellor Laster:

I write on behalf of Petitioners Magnetar Capital Master Fund Ltd, Magnetar Global Event Driven Master Fund Ltd, Spectrum Opportunities Master Fund Ltd, and Blackwell Partners LLC (the "Magnetar Funds"). With the Court's indulgence, we are constrained to clarify two issues raised for the first time in Moving Petitioner's Reply Brief supporting its Fee & Expense Petition. First, Moving Petitioner complains that the Magnetar Funds have not provided any information about the offset to which they claim they are entitled, and specifically the quantum of fees charged by the Magnetar Funds' prior counsel, Greenberg Traurig. It is the Moving Petitioner that was remiss in not requesting this information in discovery. In any event, to eliminate any question about the amount

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of such offset, the amount of fees that the Magnetar Funds paid to Greenberg Traurig in this matter was \$433,216.60. The requested offset will consist of this amount, plus 4% of the increase over the merger consideration that Lowenstein Sandler will have earned in fees under their engagement letter, which letter the Magnetar Funds provided in discovery and was cited extensively in Moving Petitioner's reply brief. Moving Petitioner correctly determined in its brief that the Lowenstein Sandler fees would be in excess of \$1 million based on this Court's determination of fair value, but the fees remain to be definitively calculated until a final, non-appealable order is entered reflecting the fair value of Dell stock.

Second, Moving Petitioner wrongly suggests in its final paragraph that the Magnetar Funds have "made clear that that any appeal will be handled by counsel other than G&E." Reply Br., at 20. This is incorrect, as the Magnetar Funds' pending motion for co-lead status seeks to have counsel of its choosing, Lowenstein Sandler, work alongside G&E as co-lead counsel, not to replace G&E entirely. Moreover, to the extent that Moving Petitioner makes this suggestion as a justification to be paid its fees and expenses presently -- notwithstanding the filing

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of an appeal by Respondent -- such an outcome is unwarranted, as nothing in the Court's April 10, 2014 Consolidation Order or in G&E's engagement letter with the T. Rowe Petitioners permits it to abandon the case after the trial phase or otherwise give it an "out" from having responsibility for defending any appeal. G&E should bear the same risk as the Non-G&E Petitioners face in connection with any appeal. By their demand for immediate payment, G&E in effect unfairly seeks to enjoy a put option on the appeal to hedge against a possible reduction in the fair valuation determination made by this Court, which would be patently unfair to the remaining Non-G&E Petitioners who stand to have their award reduced (after having paid a fee based on the existing valuation determination made by this Court) and without any basis in the Court's Consolidation Order or G&E's own engagement letter.

Accordingly, as more fully set forth in the prior briefing, the Magnetar Funds respectfully request an order (i) allowing them to deduct from the fee component of the Fee & Expense Petition a full dollar-for-dollar credit for the \$432,766 in fees they paid to prior counsel and the approximately \$1 million in

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fees (subject to calculation based on the final order) that will become due to their current correspondent counsel; and (ii) suspending any payment ordered in response to the Fee & Expense Petition unless and until a final, non-appealable order is entered reflecting the fair value of Dell stock.

Respectfully,

/s/ Samuel T. Hirzel, II

Samuel T. Hirzel, II (# 4415)

STH/jmr

cc: Stuart M. Grant, Esq. (via e-file)
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