

UNITED STATES DISTRICT COURT
DISTRICT OF COLUMBIA
Securities and Exchange Commission

v.
Dell Inc., et al
Case No. 10 CV 01245 (R.JL)

SUMMARY DISTRIBUTION PLAN NOTICE OF DELL SEC FAIR FUND TO DELL INVESTORS

If you purchased or acquired Dell common stock from May 3, 2001 through September 8, 2006, inclusive (the "Recovery Period"), you may be eligible for compensation.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.
YOU MAY BE ELIGIBLE FOR RECOVERY FROM THE DELL SEC FAIR FUND.
THIS NOTICE CONTAINS IMPORTANT INFORMATION REGARDING YOUR RIGHTS

What this Case is About

On July 22, 2010, the Commission filed its Complaint in this action and alleged that from 2001 through 2006 Dell Inc. ("Dell") and certain of its current and former senior executives, Michael S. Dell, Kevin B. Rollins, James M. Schneider, Leslie M. Jackson, and Nicholas A.R. Dunning, violated the federal securities laws by, among other things, failing to disclose material information (specifically, the receipt of large payments from Intel Corporation) to investors and using fraudulent accounting to make it falsely appear that Dell was consistently meeting Wall Street earning targets and reducing its operating expenses. Without admitting or denying the allegations in the Commission's Complaint, the Defendants consented to Final Judgments entered by the United States District Court for the District of Columbia (the "Court") on October 13, 2010 (the "Final Judgments"). As required by those Final Judgments, the Defendants together have paid or are scheduled to pay or disgorge funds to the Clerk of the Court in the aggregate amount of \$111,418,947.00, plus accrued interest. Pursuant to the Final Judgments, all funds received were deposited with the Court Registry Investment System ("CRIS") in an interest-bearing account identified by this case name and docket number ("Dell CRIS Account").

On August 27, 2010, the Commission filed related cases against two former Dell officers, Robert W. Davis and Randall D. Imhoff, alleging violations related to the accounting misconduct that was asserted in the Commission's action against Dell and certain other officers, described above. See *Dell SEC v. Robert W. Davis*, No. 1:10-cv-01464 (D.D.C.) and *Dell SEC v. Randal D. Imhoff*, No. 10-cv-01465 (D.D.C.). Without admitting or denying the Commission's allegations, Messrs. Davis and Imhoff consented to Final Judgments entered by the Court.

The final judgments ordered Mr. Davis and Mr. Imhoff to pay a penalty, disgorgement and prejudgment interest of \$203,158.00 and \$44,049.00, respectively, to the Clerk of the Court. The Court ordered that funds payable pursuant to the Final Judgments in these actions are to be transferred to the Dell CRIS Account. As of January 2, 2013, the Dell CRIS Account's balance was approximately \$110,962,734.24. The final judgments entered in these matters provided that the Commission may propose a plan to distribute the funds in the Dell CRIS Account subject to the Court's approval, and that such plan may provide that the funds be distributed pursuant to the Dell SEC Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002, 15 U.S.C. § 7246(a).

On October 21, 2011, the Commission submitted its Motion for Establishment of a Fair Fund and Appointment of Distribution Agent. On November 15, 2011, this Court granted the Commission's motion and entered an Order for Establishment of a Fair Fund and Appointment of Distribution Agent ("Order"). The Order also appointed The Garden

City Group, Inc. ("GCG") to serve as the Distribution Agent to assist in developing a Distribution Plan of the Dell SEC Fair Fund pursuant to which monies in the Dell SEC Fair Fund will be distributed to investors harmed by the violations alleged in the Complaint. The Order also authorizes the Distribution Agent to oversee the administration of claims and the distribution of the Dell SEC Fair Fund pursuant to the terms of the Distribution Plan, subject to oversight by the Court.

The Distribution Agent, in consultation with the Commission staff, prepared the Distribution Plan, and the Commission submitted the Distribution Plan to this Court for its approval. The Court approved the Distribution Plan on December 11, 2012.

Who is Eligible for Compensation

If you purchased or acquired Dell common stock from May 3, 2001 through September 8, 2006, inclusive (the "Recovery Period"), you may be eligible for compensation.

How to Obtain Compensation

The Dell SEC Fair Fund is separate and independent from the settlement fund previously established in the Dell Class Action, the securities class action involving Dell, which was brought in the United States District Court for the Western District of Texas. However, like the class action settlement, the Dell SEC Fair Fund relates to purchases of Dell common stock, and the Recovery Period for the Dell SEC Fair Fund (May 3, 2001 through September 8, 2006) overlaps with the class period in the Dell Class Action (May 16, 2002 to September 8, 2006). **Therefore, if you submitted a Proof of Claim form in connection with a claim that was approved by the Court in the Dell Class Action, you do not need to submit another Proof of Claim form for those same purchases. If you engaged in additional purchases of Dell common stock during the Recovery Period, including the period of May 3, 2001 through May 15, 2002, that were not approved by the Court in the Dell Class Action, you must submit a Proof of Claim form to be eligible to recover for those purchases.**

Submit completed Proof of Claim forms either directly through the SEC Fair Fund's website: www.dellsecsettlement.com or to:

**Dell SEC Fair Fund
c/o The Garden City Group, Inc.
P.O. Box 9857
Dublin, OH 43017-5757**

If you have any questions, you may call (888) 513-5033 in the United States, send an email to Questions@dellsecsettlement.com, or visit www.dellsecsettlement.com.

MECHANICAL SPECIFICATIONS

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