

Dell panel rejects proposed vote system change

July 31 2013

The committee set up to consider a buyout of beleaguered computer giant Dell rejected a proposal intended to boost a go-private proposal, according to a letter released Wednesday.

The special committee, which has been weighing a \$24.4 billion bid from a consortium led by company founder Michael Dell to take the company private, said in a letter to Michael Dell and his partners that it "is not prepared to accept your proposal." The letter did not elaborate on the decision.

Dell and his private-equity partner Silver Lake Partners on July 24 proposed bumping up the offer by 10 cents a share to \$13.75 per share, but only if the special committee agreed to change the way votes are counted.

The proposal sought an approval process that would require a majority of shares voted, instead of a majority of all outstanding shares not affiliated with Michael Dell.

Dell postponed the vote two times earlier this month out of concerns of insufficient shareholder support, in part because shares held by parties that did not vote are to be counted as "no" votes under the current system.

The letter from the special committee said it was willing to change the date of the vote to allow shareholders more time to consider the

amended \$13.75 per share bid.

Alternatively, the special committee said it was willing to proceed with the existing \$13.64 per share bid scheduled for August 2.

Dell, once the world's biggest [personal-computer](#) maker, has fallen behind [rivals](#) Lenovo and Hewlett-Packard and faces pressure because of slumping PC sales as consumers increasingly turn to portable gadgets like tablets and smartphones.

A recent survey showed [worldwide sales](#) of personal computers fell for a fifth consecutive quarter in the April-June period.

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