



By UPS and Email

February 20, 2013

Board of Directors
Dell, Inc.
c/o Board Liaison
One Dell Way, Mail Stop RR1-33
Round Rock, Texas 78682

Re: Suggestion Regarding Dell's Proposed Offer to Take the Company Private

Dear Sirs,

Accounts managed by Investment Partners Asset Management and its affiliates own approximately 40,936 shares of Dell Inc. (Dell or the Company) in a number of client accounts, less than 1.0% of the outstanding shares, including 16,000 shares owned by the Investment Partners Opportunities Fund. Evidence of that Fund's holding can be found in the attached letter from custodian Union Bank. Pursuant to the instructions on page 17 of your proxy statement filed in May 2012 and the instructions on your website, we are taking this opportunity to communicate with Dell's Board of Directors.

Specifically, we are writing to suggest a means to resolve the controversy surrounding the decision to support a sale of Dell at \$13.65 per share. As you are aware, the current terms of the proposed transaction have raised a number of issues.

Essentially, they can be boiled down to four:

- Conflict of Interest
- Fiduciary duty to shareholders whether institutional or individual
- Adequacy of the Buy-out Price
- Terms of the Deal

Our suggestion

A great amount of skepticism surrounds the proposed transaction in its current form. Indeed, there appears to be some doubt that the shareholders will vote to accept the \$13.65 all-cash offer based on the perception that the shares are worth much more in the future if the company were to remain publicly traded, continue its dividend and share buy backs, and pursue its product and business-diversification strategy.

While the Company appears adamant in defending their view that the offer is fair, the situation begs for resolution to remove the uncertainty. Therefore, we suggest the following solution as a means to assuage the parties and get the deal done.

- 1) Offer a minimal increase in the offering price to \$14 per share in cash, and
- 2) Create a right for shareholders to participate in the company's future potential success.

The Introduction of the "Springing Warrant"

We feel that shareholders would welcome a means by which they could get a reasonable price for their shares in cash today if they also had an opportunity to own shares at an agreed future price that reflects the success of the "New Dell." The concept is the creation of a publicly tradable warrant representing a future investment initially by today's holders at a higher price than the buy-out price. We have termed this right a "Springing Warrant." The warrant holders initially are Dell's common stockholders on the day of closing. The advantage to the initial warrant holder is liquidity upon sale of the warrant in the open market with no additional cash outlay by Dell. The warrant holder who decides to keep the warrants has something of value in excess of the buy-out price. The current advantage to Dell is the removal of uncertainty that the buy-out has sufficient votes to succeed.

Subsequently, "New Dell" has a source of equity infusion because of the cash outlay by the warrant holders at a price higher than the deal price. There is, in our opinion, an advantage to "New Dell's" acquirers and new equity owners. At some future time, "New Dell" would receive cash with minimal dilution to the owners of "New Dell." There is also an advantage to the lenders of "New Dell" if the warrants are to be exercised.

Let us offer an example.

Assume the going-private price was raised to \$14 per share. Additionally, suppose the Company were to create a warrant whose terms are as follows:

Warrant Terms

Exercise Price:	\$19 per share of Dell's current stock
Issuance:	Right to purchase 15 shares of New Dell unregistered shares for every 100 shares of Dell currently owned
Duration:	Ten years from the date of closing
Exercisable:	At the discretion of the holder once per year after receipt of New Dell's audited financial statements
Requirements:	Warrants are registered and freely tradable

Dell's Responsibility:

- a) to conduct an annual audit and furnish it to the warrant holders**
- b) to provide a valuation of its shares annually in the same form required by its private equity holders, and**
- c) to keep its warrant regulatory filings up to date**

Restrictions: **Need for customary anti-dilution privileges, etc.**

If the "New Dell" were to re-emerge as a public company it would have, in the current example, a purchaser for some of the shares represented by holders of the unexercised warrants. We believe there are numerous potential advantages to Dell's current stockholders. They would be receiving a tradable security now which would likely have a representative market due to the time-value of the warrant. For those that believe the common stock will one day be worth more than the warrant exercise price, they can hold the warrants. For those who believe the warrants are less valuable, they can create a liquidity event by selling them in the open market. (1)

The advantage to Dell is that (in exchange for some minimal potential future dilution) it can complete the current deal without triggering a break-up fee. In effect, the Company would be getting future minority equity owners whose shares would become registered when the "New Dell" goes public or in the event of sale. (2)

There is some pride of authorship with this suggestion, but we would expect that your investment bankers may wish to refine the concept. We hope that you find our recommendation helpful in getting an acceptable deal done, and would welcome your comments.

Sincerely yours,

Frank J. Abella, Jr.
Chairman and Chief Executive Officer

1) There is no guarantee that such a strategy, if employed, would ultimately produce enhanced value for shareholders. Furthermore, there are a number of risks presented by this strategy including but not limited to the possibility that even if warrants were issued to shareholders, such an instrument may never have any intrinsic value and/or may never develop an active trading market

2) There are a number of potential disadvantages to Dell if it were to pursue this proposal. Such disadvantages include, but are not limited to the need to use additional leverage (debt) to finance an increased offering price for shareholders, regulatory burdens of having a publicly-traded warrant subsequent to the proposed buy-out, and potential dilution to current and future investors from issuing warrants.

Investors should carefully consider the investment objectives, risks, charges and expenses of the Investment Partners Opportunities Fund. This and other important information about the Fund is contained in the prospectus, which can be obtained by calling 1-866-390-0440. The prospectus should be read carefully before investing. The Investment Partners Opportunities Fund is distributed by Northern Lights Distributors, LLC, member FINRA. Investment Partners Asset Management is not affiliated with Northern Lights Distributors LLC.

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