

Plaintiff [REDACTED] (“Plaintiff”) alleges the following based upon the investigation of Plaintiff’s counsel, which included a review of United States Securities and Exchange Commission (“SEC”) filings by Dell Inc. (“Dell” or the “Company”), as well as securities analysts’ reports and advisories about the Company, press releases, media reports and other public statements issued by or about the Company. Plaintiff believes that substantial additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

NATURE OF THE ACTION

1. This is a securities fraud class action on behalf of all purchasers of the common stock of Dell between February 22, 2012 and May 22, 2012, inclusive (the “Class Period”), seeking to pursue remedies under the Securities Exchange Act of 1934 (the “Exchange Act”) against Dell and certain of its senior executives for violations of the federal securities laws.

2. Defendant Dell is a global information technology company that designs, develops, manufactures, markets, sells, and supports mobility and desktop products, including notebooks, tablets, desktop personal computers (“PCs”), workstations, smartphones, servers and networking products.

3. On February 21, 2012, Dell announced its fiscal 2012 fourth quarter and year-end financial results and Defendants highlighted the strong growth the Company experienced in its Asia-Pacific, Japanese (“APJ”) and European, Middle Eastern and African (“EMEA”) business regions, calling EMEA “clearly faster than the market” and APJ its “fastest growing market.”

4. While Defendants were making these and similar representations, however, Dell was experiencing weak demand for and severe pricing pressure associated with its notebook and desktop PC product lines, particularly in its APJ and EMEA markets. In fact, the pricing pressures the Company was then experiencing in its APJ and EMEA business regions were extreme enough to

cause Dell's management to issue a directive not to pursue certain notebook and desktop PC sales in those markets.

5. In addition, while Dell was experiencing material undisclosed operational deficiencies within its sales function, Defendants falsely and misleadingly highlighted the sales focus and sales initiatives associated with the Company's PC business and the integration of the sales forces of the entities it previously acquired.

6. As a result of these materially false and misleading statements and omissions by Defendants, Dell shares traded at artificially inflated prices during the Class Period.

7. On May 22, 2012, Dell shocked the market by issuing a press release which represented that the Company's revenues for its fiscal 2013 first quarter, the period ended May 4, 2012, were approximately *one-half billion dollars* less than Dell's guidance and Wall Street estimates. Defendants attributed Dell's revenue shortfall as being primarily due to the Company's decision to forgo notebook and PC sales in markets experiencing significant pricing pressures, particularly in Asia, and the weak demand for Dell's products in its EMEA and APJ markets and poor sales force productivity and execution.

8. On this news, the price of Dell stock plummeted more than *17%*, its largest single day decline in *11-and-a-half years* on extremely high trading volume of more than one billion shares traded.

9. Prior to this revelation, however, Company insiders sold approximately \$41.3 million worth of Dell common shares during the short *three-month* Class Period, an amount exceeding the proceeds Dell insiders realized from the sale of Company stock during *all of 2011* by *73%*.

JURISDICTION AND VENUE

10. The claims asserted herein arise under §§10(b) and 20(a) of the Exchange Act, 15 U.S.C. §§78j(b) and 78t(a), and Rule 10b-5. Jurisdiction is conferred by §27 of the 1934 Act, 15 U.S.C. §78aa.

11. Venue is proper in this District pursuant to §27 of the Exchange Act and 28 U.S.C. §1391(b).

12. In connection with the acts alleged in this Complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, the mails, interstate telephone communications and the facilities of the National Association of Securities Dealers Automated Quotations (“NASDAQ”) Global Select Market, an electronic securities exchange located in this District.

THE PARTIES

13. Plaintiff [REDACTED] purchased Dell common stock, as set forth in the accompanying certification which is incorporated by herein by reference, and has been damaged thereby.

14. Defendant Dell is now a privately owned, global information technology company that offers a broad range of technology solutions. The Company’s fiscal year is the 52 or 53 week period ending on the Friday nearest January 31.

15. Defendant Michael S. Dell (“Michael Dell”) founded and served, at all relevant times, as Dell’s Chief Executive Officer and as Chairman of its Board of Directors.

16. Defendant Brian T. Gladden (“Gladden”) served, at all relevant times, as Dell’s Senior Vice President and Chief Financial Officer.

17. Defendant Stephen J. Felice (“Felice”) served, at all relevant times, as Dell’s President and Chief Commercial Officer.

18. Defendants Michael Dell, Gladden and Felice are collectively referred to herein as the “Individual Defendants.”

19. During the Class Period, the Individual Defendants, as senior executive officers and/or directors of Dell, were privy to confidential and proprietary information concerning Dell, its products, operations, finances, financial condition, and present and future business prospects. The Individual Defendants had access to non-public information about Dell’s business, finances, products, markets and present and future business prospects via internal corporate documents, conversations and connections with other corporate officers and employees, attendance at management and/or board of directors meetings and committees thereof and via reports and other information provided to them in connection therewith. The Individual Defendants also had access to material adverse non-public information concerning Dell. Because of their possession of such information, the Individual Defendants knew or recklessly disregarded that the adverse facts specified herein had not been disclosed to, and were being concealed from, the investing public.

20. The Individual Defendants are liable as direct participants in the wrongs complained of herein. In addition, the Individual Defendants, by reason of their status as senior executive officers and/or directors, were “controlling persons” within the meaning of §20(a) of the Exchange Act and had the power and influence to cause the Company to engage in the unlawful conduct complained of herein. Because of their positions of control, the Individual Defendants were able to and did, directly or indirectly, control the conduct of Dell’s business.

21. As executive officers of Dell, the Individual Defendants controlled and/or possessed the authority to control the contents of its reports, press releases and presentations to securities analysts and through them, to the investing public. The Individual Defendants were provided with copies of the Company’s reports and press releases alleged herein to be misleading, prior to or

shortly after their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Thus, the Individual Defendants had the opportunity to commit the fraudulent acts alleged herein.

22. The Individual Defendants, as executive officers and/or directors and as controlling persons when Dell was a publicly traded company whose common stock was governed by the federal securities laws and was registered with the NASDAQ, had a duty to promptly disseminate accurate and truthful information with respect to Dell's financial condition and performance, growth, operations, financial statements, business, products, markets, management, earnings and present and future business prospects, and to correct any previously issued statements that had become materially misleading or untrue, so that the market price of Dell common stock would be based upon truthful and accurate information. The Individual Defendants' misrepresentations and omissions during the Class Period violated these specific requirements and obligations.

23. The Individual Defendants are liable as participants in a fraudulent scheme and course of conduct that operated as a fraud or deceit on purchasers of Dell common stock by disseminating materially false and misleading statements and/or concealing material adverse facts. The scheme: (i) deceived the investing public regarding Dell's business, operations and management and the intrinsic value of Dell common stock; (ii) allowed the Individual Defendants and certain Company insiders to collectively sell their personally held Dell common stock for proceeds in excess of \$41 million; and (iii) caused Plaintiff and members of the Class to purchase Dell common stock at artificially inflated prices.

CLASS ACTION ALLEGATIONS

24. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class consisting of all those who purchased the common stock of Dell between February 22, 2012 and May 22, 2012, inclusive, and who were damaged

thereby (the "Class"). Excluded from the Class are Defendants and their families, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.

25. The members of the Class are so numerous that joinder of all members is impracticable. During the Class Period, Dell had approximately 1.76 billion shares of common stock outstanding, which shares were actively traded in an efficient market on the NASDAQ.

26. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by Dell or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

27. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law complained of herein.

28. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class action and securities litigation.

29. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

(a) whether the federal securities laws were violated by Defendants' acts as alleged herein;

(b) whether statements made by Defendants to the investing public during the Class Period misrepresented material facts about the business, operations and products of Dell;

(c) whether the price of Dell common stock was artificially inflated during the Class Period; and

(d) to what extent the members of the Class have sustained damages and the proper measure of damages.

30. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

SUBSTANTIVE ALLEGATIONS

Background

31. Defendant Dell offers a broad range of technology solutions, including notebooks, tablets, desktop PCs, networking, storage and mobility products, servers, software and services. Dell sells its products and services directly to customers through dedicated sales representatives, telephone-based sales, and online sales, and through a variety of other sales distribution channels.

32. On February 5, 2013, Dell announced that it entered into a leveraged buyout transaction whereby it was to be acquired by Denali Holding Inc., a corporation owned by Defendant Michael Dell and investment funds affiliated with Silver Lake Partners, a global private equity firm. Following completion of this transaction, Dell became a privately owned company and its shares were delisted from the NASDAQ and Hong Kong Stock Exchange.

33. All references to the Company's operations herein are as they existed while it was a public company during the Class Period.

34. During the Class Period, Dell's product lines included: (i) enterprise solutions, composed of servers, networking, and storage products; (ii) client products, composed of a variety of mobility and desktop products including notebooks, workstations, tablets, smartphones, and desktop PCs; and (iii) software and peripherals, such as printers, televisions and other products.

35. During the Class Period, the Company managed its operations via four business segments: (i) Large Enterprise; which included large global and national corporate business customers; (ii) Public, which included educational institutions, government, health care, and law enforcement agencies; (iii) Small and Medium Business ("SMB"), which included small and medium-sized business customers; and (iv) Consumer, which included individual customers worldwide. During the Class Period, the Company's references to its commercial business related to its Large Enterprise, Public, and SMB business segments.

36. Prior to the beginning of the Class Period, in the fall of 2011, several regions of Thailand where hard disk drives ("HDD") were manufactured experienced severe flooding which significantly impacted the supply of HDD for computer manufacturers, including Dell. Although it was adversely affected by the available mix of hard drives, Dell entered into purchase commitments with certain HDD suppliers to ensure continuity of supply for these components.

37. Although HDD supply constraints limited the Company's PC sales during its fiscal 2012 fourth quarter, the three months ended February 3, 2012, Defendants noted that Dell was seeing "pretty healthy growth in most parts of the world" and that the Company "probably could have grown more" had it not been for the lack of HDD availability.

38. Defendants also noted that HDD supply constraints "limited our ability of what mix [of products] we could sell," which "impacted demand a little bit," but that issue would "continue to

improve as each quarter goes by where we have more visibility to the mix of the drives we're going to be seeing."

39. With respect to geographic growth, Defendants noted that "[o]verall demand continued to be softer in the US but we did see good growth in both EMEA and APJ." In fact, Defendants highlighted that Dell experienced "10% growth in [its] Asia Pacific region during [its] fiscal 2012 fourth quarter], including 15% growth in China, while EMEA growth accelerated to 8%" and that these countries continued to be a "key driver" for the Company.

40. As a result of this growth, the revenue Dell derived from customers located outside of the U.S. surpassed 50% of the Company's total revenue during fiscal 2012. The increase in Dell's non U.S. revenue was primarily driven by higher sales to customers in its APJ region, which grew 13% year-over-year.

41. However, when Defendants issued these and similarly positive statements, they knew, but deceptively failed to disclose, that the growth that Dell had experienced during its fiscal 2012 fourth quarter was largely due to a one-time rebuilding of inventory in its sales distribution channel and that the then-existing demand for its notebook and desktop PC products was scant, particularly in emerging markets.

42. Moreover, Defendants knew, but also failed to disclose, that Dell was then experiencing severe pricing pressure for its notebook and desktop PC products in its APJ and EMEA markets. These pricing pressures were extreme enough to cause Dell's management to issue a directive to forgo certain notebook and desktop PC sales in its APJ and EMEA business regions.

43. In addition, while Dell was experiencing material undisclosed operational deficiencies within its sales function, Defendants falsely and misleadingly touted the Company's sales

focus and sales initiatives associated with its PC business and the integration of the sales forces of the entities it previously acquired.

44. As a result of these materially false and misleading statements and omissions by Defendants, Dell shares traded at artificially inflated prices during the Class Period.

45. On May 22, 2012, Dell shocked the market by issuing a press release disclosing that the revenues for its fiscal 2013 first quarter, the period ended May 4, 2012, were approximately one-half billion dollars less than Dell's guidance and Wall Street estimates. Defendants attributed Dell's revenue shortfall as being primarily due to the Company's decision to forgo notebook and PC sales in markets experiencing significant pricing pressures, particularly in Asia, and the weak demand for Dell's products in its EMEA and APJ markets and poor sales force productivity and execution.

46. On this news, the price of Dell stock plummeted more *17%*, its largest single day decline in *11-and-a-half years*, on extremely high trading volume of more than one billion shares traded.

47. Prior to this revelation, however, Company insiders sold approximately \$41.3 million worth of Dell common shares during the short three-month Class Period, an amount exceeding the proceeds Dell insiders realized from the sale of Company stock during all of 2011 by 73%.

**MATERIALLY FALSE AND MISLEADING STATEMENTS
ISSUED DURING THE CLASS PERIOD**

48. The Class Period starts on February 22, 2012. After the close of trading on February 21, 2012, Dell issued a press release announcing its financial results for its fiscal 2012 fourth quarter and year end, the periods ended February 3, 2012. For the 2012 fiscal year, Dell reported revenues of \$62.1 billion and earnings per share of \$1.88. For the 2012 fourth quarter, Dell reported revenues of \$16 billion and earnings per share of \$0.43. With respect to Dell's geographic performance, the

press release highlighted the Company's strong growth in its APJ and EMEA business regions, stating, in pertinent part, as follows:¹

Asia-Pacific and Japan revenue grew 10 percent - including 15 percent growth from China - and **EMEA** increased 8 percent in the quarter. **Americas** was down 3 percent. Revenue in Growth Countries - defined as those outside the U.S., Canada, Western Europe and Japan - increased 8 percent in the quarter and 12 percent for the fiscal year. Revenue in the BRIC [Brazil, Russia, India and China] countries increased 10 percent in the quarter and 15 percent for the fiscal year.

[Emphasis in original].

With respect to the Company's fiscal 2013 first quarter outlook, the press release noted, in pertinent part, as follows:

The company will continue to prioritize operating income and cash flow. For fiscal 2013, the company expects non-GAAP earnings per share to exceed the record \$2.13 it delivered in fiscal 2012 and *expects to continue strong execution*, with cash flow from operations exceeding net income. For Q1, the company expects revenue to decline approximately 7 percent sequentially, which aligns with normal seasonality adjusted for the fourteenth week.

49. Following its fiscal 2012 fourth quarter and year-end earnings announcement, the Company held a conference call with analysts and investors to discuss Dell's operations. During the conference call, Defendants Gladden and Felice made materially false and misleading statements about Dell's operations.

50. With respect to Dell's fiscal 2012 fourth quarter operations, Defendant Felice highlighted the "strong" performance of the Company's Large Enterprise segment and good growth in both its EMEA and its APJ markets, stating, in pertinent part, as follows:

I'll turn now to the segment level performance which is detailed on pages 20 through 23 of the web deck. Our commercial business approached \$13 billion for the quarter lead by the strong performances in large enterprise and the small and medium business which were up collectively 5% with sequential Op Inc growth of 6%. Large enterprise saw broad based growth across both client and Enterprise Solutions and Services. Our large Enterprise Services revenue increased 18% as we continue to

¹ All emphasis herein is added, unless otherwise noted.

expand our vertical expertise and develop service solutions that are relevant to our customers business needs. Overall demand continued to be softer in the US but *we did see good growth in both EMEA and APJ.*

* * *

Geographically, *we saw 10% growth in our Asia Pacific region during Q4 including 15% growth in China, while EMEA growth accelerated to 8% despite a challenging macro-economic background. Growth countries continue to be a key driver as well, growing 8% in Q4 and finishing the year up 12%.* And with that I'll turn it back over to Brian to discuss our outlook.

51. Defendant Felice also highlighted the performance and growth of the Company's Consumer business with the Company's XPS notebook revenue increased 103% during the year. In addition, Defendant Felice noted that, while the HDD supply constraints limited Dell's PC sales, during the quarter, he expected demand to improve going forward, stating, in pertinent part, as follows:

The consumer business delivered 2.7% Op Inc for the full year in line with the expectations that we set a year ago. But in the fourth quarter results were mixed. Total revenue and margin weakness was largely concentrated in the US market with a decline of 15%. *We continue to see good progress in our high-end Consumer systems as our XPS notebook revenue increased 103% for the full year.* So while we're disappointed in the Q4 profitability, we're pleased with the overall progress made during fiscal year 2012 as the consumer business grew Op Inc by \$259 million versus the previous year.

* * *

On the Consumer side, we're seeing pretty healthy growth in most parts of the world. The hard drive rebalancing did get in the way in the US, so we probably could have grown more. But to add a little color to this, when we get the mix of drives we have a series of customers that have a set contract with us that has a certain configuration and we fill that need first. So it's really the transactional side of the business and even part of Tony's question, Consumer is completely transactional. But we have a lot of business within our small business and our large corporate even pieces of that are more transactional. In other words, it's really demand that comes in that day where it's not under a contract.

That's where we had to shape the drives and we would normally sell a higher mix of capacity into those if we had access to that. And that's what impacted both the Consumer business from a demand and a margin basis in the US. As a good example we don't want to put a 350 gig drive on an XPS computer because it's going

to have a bad experience for the customer. *So it limited our ability of what mix we could sell. So that impacted demand a little bit and I think we'll see that continue to improve as each quarter goes by where we have more visibility to the mix of the drives we're going to be seeing.*

52. During the Q&A session of the conference call, Defendants Gladden and Felice again highlighted the strong growth Dell was experiencing in its EMEA and APJ markets, stating, in pertinent part, as follows:

Defendant Gladden: As you think about regionally in the quarter, obviously, *Asia Pacific was the fastest growing market, we were up 10%, EMEA was up 8%, which is clearly faster than the market*, and then Americas driven by the US was down and down 3%. *For the total year, APJ was up 15%, EMEA was up 4%* and Americas was down 4%, so that's the regional dynamics. I think when you look at the product lines or the segment performance, clearly on the Corporate side between Large Enterprise and SMB, we saw solid growth and year over year was up 6% for SMB and up 5% for Large Enterprise and both of those were up mid-single digits for the year. So those are the fundamental numbers, maybe Steve can give you some color.

Defendant Felice: Well there's not a lot to add there. The-- in *Europe, I would say we are seeing some definite growth ahead of what appears to be market conditions, so I'm really pleased with what's going on in Europe.* It's a good case where if we run the strategy right we're gaining both unit share and revenue share while our profit is accretive both on a percentage basis and a dollar growth basis, so that's really a strong story. *In Asia, we're also seeing some similar dynamics. So it really is limited to a few sectors like the US federal or some of the larger government entities in Western Europe where we see the biggest headwinds.*

53. On March 13, 2012, Dell filed with the SEC its Form 10-K, signed by Defendants Michael Dell and Gladden, for the fiscal year ended February 3, 2012 (the "2012 Form 10-K"). The 2012 Form 10-K contained materially false and misleading statements about the Company's revenues that, in violation of Item 303 of Regulation S-K and the SEC's interpretive releases thereto, it failed to disclose each of the following trends, demands, commitments, events or uncertainties that were then presently known to Defendants and were reasonably likely to have a material effect on the Company's results of operations: (i) that Dell was experiencing severe market pricing pressures associated with its notebook and desktop PC products, particularly in its EMEA and APJ markets; (ii) that as a result of such extreme pricing pressures, Dell's management issued a directive not to

pursue certain notebook and desktop PC sales in its EMEA and APJ markets; (iii) that Dell was experiencing weakening demand for its notebook and desktop PC products, particularly in its EMEA and APJ markets; and (iv) that Dell was experiencing material undisclosed operational deficiencies within its sales function that were adversely impacting its Large Enterprise and Public business segments.

54. The 2012 Form 10-K also included materially false and misleading representations about the Company's disclosure controls and Defendants Michael Dell's and Gladden's certifications thereon, stating, in pertinent part:

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and the Chief Financial Officer, to allow timely decisions regarding required disclosures.

In connection with the preparation of this report, our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of February 3, 2012. Based on that evaluation, our management has concluded that our disclosure controls and procedures were effective as of February 3, 2012.

* * *

I, [Defendants Michael Dell and Gladden], certify that:

1. I have reviewed this Annual Report on Form 10-K of Dell Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

55. On February 28, 2012, Defendant Gladden presented at the Morgan Stanley Technology, Media & Telecom Conference in San Francisco, California. Although Dell was then experiencing material undisclosed operational deficiencies within its sales function, Defendant

Gladden falsely and misleadingly touted the integration of Dell's and its acquired entities' sales forces and the sales focus and initiatives associated with the Company's PC sales business that drove "productivity" and "success," stating, in pertinent part, as follows:

On the selling side, clearly thinking about you have a general sales force, we have specialists in our higher-end enterprise businesses, that's where we've added a lot of cost. *We've also had focus and initiatives around driving productivity in our core more PC sales business to try and fund some of those activities; I think we've had fair success there.*

* * *

So we feel really good about those mid-size acquisitions that have a fair amount of revenue that improves as the product works and that we can fit into our sales force, *many of these companies have a couple hundred or 100 sales people when we acquire them, and once we get the integration up -- and running and usually we try and do that very, very quickly -- you can have 15,000 salespeople very quickly selling the same product. And that model seems to be working for us.*

56. The statements referenced above in ¶¶48-49 and 51-56 were each materially false and misleading when made because they misrepresented and failed to disclose the following adverse facts, which were known to Defendants or recklessly disregarded by them:

- (a) that the Company was experiencing known, but undisclosed, pricing pressures for its notebook and desktop PC products, particularly in its EMEA and APJ markets;
- (b) that as a result of such extreme pricing pressures, Dell's management issued a directive not to pursue certain notebook and desktop PC sales in its EMEA and APJ markets;
- (c) that Dell was experiencing weakening demand for its notebook and desktop PC products, particularly in its EMEA and APJ markets;
- (d) that Dell was experiencing material undisclosed operational deficiencies within its sales function that were adversely impacting its Large Enterprise and Public business segments;

(e) that (a) - (d) above were reasonably likely to have a material adverse effect on Dell's future revenues and operating results;

(f) that Dell's 2012 Form 10-K failed to disclose known trends, demands, commitments, events or uncertainties, including (a) - (d) above, that were reasonably likely to cause Dell's historical financial disclosures not to be indicative of future operating results;

(g) that Dell's disclosure controls were materially deficient and its representations concerning them were materially false and misleading;

(h) that the certifications issued by Defendants Michael Dell and Gladden associated with the Company's disclosure controls were materially false and misleading; and

(i) that, based on the foregoing, Defendants lacked a reasonable basis for their positive statements about Dell, its then-current business and future financial prospects.

57. On May 22, 2012, after the close of trading, Dell shocked the market by issuing a press release disclosing that the revenues for its fiscal 2013 first quarter, the period ended May 4, 2012, were \$14.4 billion, approximately one-half billion dollars less than Dell's guidance and Wall Street estimates. Defendant Dell also disclosed it was projecting revenues of just \$14.7 billion to \$15 billion for its fiscal 2013 second quarter, when based on Defendants' bullish Class Period statements, securities analysts surveyed by *Bloomberg* had been projecting revenues of \$15.4 billion.

58. Following its fiscal 2013 first quarter earnings announcement, the Company held a conference call with analysts and investors wherein Defendants attributed Dell's revenue shortfall as being primarily due to: (i) poor sales force productivity and execution; (ii) Company directives to forgo notebook and PC sales in markets experiencing significant pricing pressures, particularly in Asia; and (iii) weak demand for Dell's products in its EMEA and APJ markets.

59. In response to these revelations, the price of Dell stock fell precipitously from its May 22, 2012 closing price of \$15.08 per share to close at \$12.49 per share on May 23, 2012, a decline of \$2.59 per share, more than 17%, its largest single day decline in 11-and-a-half years, on extremely high volume of more than one billion shares trading, or approximately six times the average daily trading volume during the Class Period.

60. The market for Dell common stock was open, well-developed and efficient at all relevant times. As a result of these materially false and misleading statements and failures to disclose, Dell common stock traded at artificially inflated prices during the Class Period. Plaintiff and other members of the Class purchased or otherwise acquired Dell common stock relying upon the integrity of the market price of Dell common stock and market information relating to Dell, and have been damaged thereby.

61. During the Class Period, Defendants materially misled the investing public, thereby inflating the price of Dell common stock, by publicly issuing false and misleading statements and omitting material facts necessary to make Defendants' statements, as set forth herein, not false and misleading. Such statements and omissions were materially false and misleading because they failed to disclose material adverse information and misrepresented the truth about the Company, its business and operations, as alleged herein.

62. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused, or were a substantial contributing cause of, the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false or misleading statements about Dell's business, prospects and operations. These material misstatements and omissions had the cause and effect of creating in the market an unrealistically positive assessment of

Dell and its business, prospects and operations, thus causing the Company's common stock to be overvalued and artificially inflated at all relevant times. Defendants' materially false and misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's common stock at artificially inflated prices, thus causing the damages complained of herein.

Additional Scienter Allegations

63. As alleged herein, Defendants acted with scienter in that Defendants knew, or recklessly disregarded, that the public documents and statements they issued and disseminated to the investing public in the name of the Company or in their own name during the Class Period were materially false and misleading. Defendants knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements and documents as primary violations of the federal securities laws. Defendants, by virtue of their receipt of information reflecting the true facts regarding Dell, their control over, and/or receipt and/or modification of Dell's allegedly materially misleading misstatements, were active and culpable participants in the fraudulent scheme alleged herein.

64. Defendants knew and/or recklessly disregarded the falsity and misleading nature of the information which they caused to be disseminated to the investing public. The fraudulent scheme described herein could not have been perpetrated during the Class Period without the knowledge and complicity of, or at least the reckless disregard by, personnel at the highest levels of the Company, including the Individual Defendants.

65. The Individual Defendants, because of their positions with Dell, controlled the contents of the Company's public statements during the Class Period. Each Individual Defendant was provided with or had access to copies of the documents alleged herein to be false and/or misleading prior to or shortly after their issuance and had the ability and opportunity to prevent their

issuance or cause them to be corrected. Because of their positions and access to material non-public information, the Individual Defendants knew or recklessly disregarded that the adverse facts specified herein had not been disclosed to and were being concealed from the public and that the positive representations that were being made were false and misleading. As a result, each of these Defendants is responsible for the accuracy of Dell's corporate statements and are therefore responsible and liable for the representations contained therein.

66. With respect to the reasonable likelihood that the pricing pressures would result in lower revenue, Dell made an affirmative decision not to pursue notebook and PC business. Plaintiff alleges that this knowledge can be imputed to the Individual Defendants who, as Company officers, knew or recklessly ignored facts related to the core operations of Dell.

67. The scienter of Defendants is also underscored by the Sarbanes-Oxley mandated certifications of Defendants Michael Dell and Gladden, which acknowledged their responsibility to investors for establishing and maintaining controls to ensure that material information about Dell was made known to them and that the Company's disclosure-related controls were operating effectively.

68. Defendants were further motivated to engage in the fraudulent course of conduct alleged herein in order to allow Company insiders to sell shares of their personally held Dell common stock at inflated prices, which yielded those insiders proceeds of approximately \$41.3 million during the short *three-month* Class Period, an amount exceeding the proceeds Dell insiders realized from the sale of Company stock during *all of 2011* by 73%:

Dell Inc. (DELL)

Insider Sales: 2/22/12 - 5/22/12

Filer Name	Title	Date	Shares	Price	Proceeds
Felice (Stephen J)	President	24-Feb-2012	477,153	\$17.51	\$8,354,949
Felice (Stephen J)	President	05-Mar-2012	1,889	\$17.07	\$32,245
Felice (Stephen J)	President	07-Mar-2012	413,526	\$16.93	\$7,000,995
			892,568		\$15,388,189
Gladden (Brian T)	Officer	01-Mar-2012	43,750	\$17.42	\$762,125
Gladden (Brian T)	Officer	01-Mar-2012	25,000	\$17.42	\$435,500
			68,750		\$1,197,625
Luce (Thomas W III)	Director	09-Apr-2012	4,420	\$0.00	\$0
			4,420		\$0
Quintos (Karen H)	Officer	10-Apr-2012	14,933	\$16.46	\$245,797
			14,933		\$245,797
Schuckenbrock (Stephen F)	President	12-Mar-2012	87,364	\$17.25	\$1,507,029
Schuckenbrock (Stephen F)	President	15-Mar-2012	952,480	\$17.25	\$16,430,280
			1,039,844		\$17,937,309
Sweet (Thomas W)	Officer	09-Mar-2012	40,000	\$17.13	\$685,200
			40,000		\$685,200
Tu (Lawrence)	Officer	06-Mar-2012	347,093	\$16.72	\$5,803,395
			347,093		\$5,803,395
			2,407,608		\$41,257,516

Loss Causation/Economic Loss

69. During the Class Period, as detailed herein, Defendants engaged in a scheme to deceive the market and a course of conduct that artificially inflated the price of Dell common stock and operated as a fraud or deceit on Class Period purchasers of Dell common stock by failing to disclose and misrepresenting the adverse facts detailed herein. When Defendants' prior misrepresentations and fraudulent conduct were disclosed and became apparent to the market, the price of Dell common stock declined significantly as the prior artificial inflation came out of the Company's stock price.

70. As a result of their purchases of Dell common stock during the Class Period, Plaintiff and the other Class members suffered economic loss, *i.e.*, damages, under the federal securities laws. Defendants' false and misleading statements had the intended effect and caused Dell common stock to trade at artificially inflated levels throughout the Class Period, reaching as high as \$17.70 per share on February 29, 2012.

71. By concealing from investors the adverse facts detailed herein, Defendants presented a misleading picture of Dell's business and prospects. When the truth about the Company was revealed to the market, the price of Dell common stock fell significantly. This decline removed the inflation from the price of Dell common stock, causing real economic loss to investors who had purchased Dell common stock during the Class Period.

72. The decline in the price of Dell common stock after the corrective disclosure came to light were a direct result of the nature and extent of Defendants' fraudulent misrepresentations being revealed to investors and the market. The timing and magnitude of the price declines in Dell common stock negate any inference that the loss suffered by Plaintiff and the other Class members was caused by changed market conditions, macroeconomic or industry factors or Company-specific facts unrelated to Defendants' fraudulent conduct.

73. The economic loss, *i.e.*, damages, suffered by Plaintiff and the other Class members was a direct result of Defendants' fraudulent scheme to artificially inflate the price of Dell common stock and the subsequent significant decline in the value of Dell common stock when Defendants' prior misrepresentations and other fraudulent conduct were revealed.

**Applicability of Presumption of Reliance:
Fraud on the Market Doctrine**

74. At all relevant times, the market for Dell common stock was an efficient market for the following reasons, among others:

(a) Dell common stock met the requirements for listing, and was listed and actively traded on the NASDAQ, a highly efficient, electronic stock market;

(b) as a regulated issuer, Dell filed periodic public reports with the SEC and the NASDAQ;

(c) Dell regularly communicated with public investors via established market communication mechanisms, including regular disseminations of press releases on the national circuits of major newswire services and other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services; and

(d) Dell was followed by securities analysts employed by major brokerage firms who wrote reports which were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace. As a result of the foregoing, the market for Dell common stock promptly digested current information regarding Dell from all publicly available sources and reflected such information in the prices of the stock. Under these circumstances, all purchasers of Dell common stock during the Class Period suffered similar injury through their purchase of Dell common stock at artificially inflated prices and a presumption of reliance applies.

No Safe Harbor

75. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. Many of the specific statements pleaded herein were not identified as “forward-looking statements” when made. To the extent there were any forward-looking statements, they were not accompanied by any meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. Alternatively, to the extent that the statutory safe harbor does apply to any forward-looking statements pleaded herein,

Defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements were made, the particular speaker knew that the particular forward-looking statement was false, and/or the forward-looking statement was authorized and/or approved by an executive officer of Dell who knew that those statements were false when made or the speaker did not have a reasonable basis to make such statements.

COUNT I

**Violation of §10(b) of the Exchange Act and Rule 10b-5
Promulgated Thereunder Against All Defendants**

76. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

77. During the Class Period, Defendants disseminated or approved the materially false and misleading statements specified above, which they knew or deliberately disregarded were misleading in that they contained misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

78. Defendants: (a) employed devices, schemes, and artifices to defraud; (b) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements made not misleading; and (c) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon the purchasers of the Company's common stock during the Class Period.

79. Plaintiff and the Class have suffered damages in that, in reliance on the integrity of the market, they paid artificially inflated prices for Dell common stock. Plaintiff and the Class would not have purchased Dell common stock at the prices they paid, or at all, if they had been aware that the market prices had been artificially and falsely inflated by Defendants' misleading statements.

80. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their purchases of Dell common stock during the Class Period.

COUNT II

Violation of §20(a) of the Exchange Act Against the Individual Defendants

81. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

82. The Individual Defendants acted as controlling persons of Dell within the meaning of §20(a) of the Exchange Act as alleged herein. By reason of their positions as officers and/or directors of Dell, and their ownership of Dell common stock, the Individual Defendants had the power and authority to cause Dell to engage in the wrongful conduct complained of herein. By reason of such conduct, the Individual Defendants are liable pursuant to §20(a) of the Exchange Act.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

A. Determining that this action is a proper class action, designating Plaintiff as Lead Plaintiff and certifying Plaintiff as a Class representative under Rule 23 of the Federal Rules of Civil Procedure and Plaintiff's counsel as Class Counsel;

B. Awarding compensatory damages in favor of Plaintiff and the other Class members against all Defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;

C. Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

D. Such other and further relief as the Court may deem just and proper.

JURY DEMAND

Plaintiff hereby demands a trial by jury.

DATED: May 21, 2014