



## NASDAQ Sends Dell, Novell Delisting Notices

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The NASDAQ has alerted Dell and Novell, two tech stalwarts, that it is starting de-listing procedures.

NASDAQ told Dell it has failed to meet requirements for continuing to be listed on its exchange.

In a statement, Dell said it plans to seek a special hearing before a NASDAQ panel to explain its position. The request delays any action by NASDAQ for several months.

"As anticipated, the letter was issued in accordance with NASDAQ rules due to the delayed filing of the company's Form 10-Q for the quarter ended Aug. 4, 2006. Pending a decision by the panel, Dell shares will remain listed on The NASDAQ Stock Market," the Round Rock, Tex.-based company said in a press release.

Under NASDAQ rules, a company must issue a press release announcing it has received a delisting letter from the stock exchange, or it can be delisted immediately without a hearing.

Dell faces a number of investigations into its financial reporting and accounting methods. The U.S. Securities and Exchange Commission is conducting an "informal" investigation, the Audit Committee of Dell's Board of Directors is investigating, and the U.S. Attorney for the Southern District of New York has also subpoenaed Dell records going back to 2002, the company has acknowledged.

On Sept. 11, Dell issued a statement saying early investigations "have indicated the possibility of misstatements in prior period financial reports, including issues relating to accruals, reserves and other balance sheet items that may affect the company's previously reported financial results."

Earlier this month, Dell Chairman Michael Dell told reporters in New York that he anticipated a delisting process to begin because his company has not filed its required, quarterly 10Q report with the SEC as mandated by NASDAQ rules. The company says it cannot file the report while certain of its financial records and past financial reporting are under review.

Dell is listed as Number 25 on the Fortune 500 list. Its shares were listed at \$21.50 before the start of trading on Thursday.

Other technology companies are also dealing with the NASDAQ delisting process. Previously, Apple, Cupertino, Calif., said it would seek a hearing after NASDAQ sent it a delisting notice and, Wednesday, Novell, Waltham, Mass., issued a press release saying it had received a delisting notice from NASDAQ because of its decision to delay filing of its 10Q. Apple and Novell have delayed those filings as their companies review the potential impact on past earnings of stock-based compensation to some executives and employees.