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By eFile

The Honorable Sam Glasscock III
Vice Chancellor
Court of Chancery
34 The Circle
Georgetown, Delaware 19947

Re: *In re Oracle Corporation Derivative Litigation*,
Consol. C.A. No. 2017-0337-SG

Dear Vice Chancellor Glasscock:

We represent the Special Litigation Committee (“SLC”) of the Board of Directors (the “Board”) of nominal defendant Oracle Corporation (“Oracle” or the “Company”). On June 7, 2019, this Court granted the SLC’s request to extend the stay of proceedings in this derivative action for ninety (90) days through August 15, 2019, to allow the SLC time to pursue a mediation and attempt to resolve the litigation for the benefit of Oracle. The mediation was not successful and it appears unlikely that a settlement can be reached in the near future. For the reasons briefly explained below, the SLC has determined that the Lead Plaintiff should be allowed to proceed with the derivative litigation on behalf of Oracle.

As previously reported to the Court, the SLC, which is comprised of three independent directors with significant stature and extensive experience in corporate governance, has conducted a thorough investigation and evaluation of the claims raised in the derivative complaint. As a result of its investigation, it is the SLC's view that the critical legal issue of whether the challenged NetSuite acquisition will be reviewed under the entire fairness standard would not likely be resolved prior to trial, thereby posing risks to both plaintiff and defendants. Establishing entire fairness is a heavy burden under Delaware law.

For these reasons, the SLC sought to negotiate a settlement that appropriately reflected the potential risks, advantages and disadvantages of further litigation. As noted, those settlement negotiations were not successful. After carefully considering the issues, the SLC concluded that it would not be in Oracle's best interests to seek to dismiss the derivative claims.

The SLC therefore faced the choice of either pursuing the litigation itself or allowing Lead Plaintiff to proceed on behalf of the Company. After giving the matter careful consideration, the SLC determined it was in the Company's best interests to allow Lead Plaintiff (rather than the SLC) to proceed with the litigation on behalf of Oracle. The SLC, however, continues to believe that a settlement of the claims would be the best result for Oracle.

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Finally, on July 22, 2019, Lead Plaintiff filed an Amended Complaint, which included certain additional defendants and new claims. The SLC had completed its investigation and evaluation of the claims raised in the initial Complaint before the Amended Complaint was filed. In light of its decision to allow Lead Plaintiff to proceed with the claims against Mr. Ellison and Ms. Catz (and given the limited time between the filing of the Amended Complaint and the expiration of the stay), the SLC sees no benefit in attempting to address separately at this time the new claims asserted against the other defendants. Those claims can be resolved in the pending litigation.

We are available at the Court's convenience if Your Honor has any questions.

Respectfully,



Kevin R. Shannon (#3137)

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cc: Register in Chancery (by efile)
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