

# SECURITIES AND EXCHANGE COMMISSION

## FORM SC 13E3

Schedule filed to report going private transactions(Issuer Self-Tender Offer)

Filing Date: **1999-09-10**  
SEC Accession No. **0001047469-99-035393**

([HTML Version](#) on [secdatabase.com](#))

### SUBJECT COMPANY

#### **DIGITAL LINK CORP**

CIK: **810467** | IRS No.: **770067742** | State of Incorpor.: **CA** | Fiscal Year End: **1231**  
Type: **SC 13E3** | Act: **34** | File No.: **005-44579** | Film No.: **99709638**  
SIC: **3576** Computer communications equipment

Mailing Address  
217 HUMBOLDT COURT  
SUNNYVALE CA 94089

Business Address  
217 HUMBOLDT COURT  
SUNNYVALE CA 94089-1300  
4087456200

### FILED BY

#### **DLZ CORP**

CIK: **860066** | State of Incorpor.: **CA** | Fiscal Year End: **1231**  
Type: **SC 13E3**

Mailing Address  
217 HUMBOLDT COURT  
SUNNYVALE CA 94089

Business Address  
217 HUMBOLDT COURT  
SUNNYVALE CA 94089  
4087454570

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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549  
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SCHEDULE 13E-3

RULE 13E-3 TRANSACTION STATEMENT

(PURSUANT TO SECTION 13(E) OF THE SECURITIES EXCHANGE ACT OF 1934)

DIGITAL LINK CORPORATION

(Name of the Issuer)

DLZ CORP.  
VINITA GUPTA  
NARENDRA K. GUPTA  
GUPTA CHILDREN'S TRUST AGREEMENT  
NARENDRA AND VINITA GUPTA LIVING TRUST  
THE NAREN AND VINITA GUPTA FOUNDATION  
(Name of the Person(s) Filing Statement)

COMMON STOCK, NO PAR VALUE PER SHARE

(Title of Class of Securities)

253856 10 8

(CUSIP Number of Class of Securities)  
-----

VINITA GUPTA  
DLZ CORP.  
P.O. BOX 620154  
WOODSIDE, CALIFORNIA 94062-0154  
(408) 745-4550

(Name, Address and Telephone Number of Person Authorized to Receive Notices  
and Communications on Behalf of Person(s) Filing Statement)

COPIES TO:

CHRISTOPHER KAUFMAN, ESQ.  
Latham & Watkins  
135 Commonwealth Drive  
Menlo Park, California 94025  
(650) 328-4600

DAVID HEALY, ESQ.  
Fenwick & West LLP  
Two Palo Alto Square  
Palo Alto, California 94306  
(650) 494-0600

This statement is filed in connection with (check the appropriate box):

- a. / / The filing of solicitation materials or an information statement subject to Regulation 14A, Regulation 14C, or Rule 13e-3(c) under the Securities Exchange Act of 1934.
- b. / / The filing of a registration statement under the Securities Act of 1933.
- c. /X/ A tender offer.
- d. / / None of the above.

Check the following box if the soliciting materials or information statement referred to in checking box (a) are preliminary copies. /X/

CALCULATION OF FILING FEE:

<TABLE>  
<CAPTION>

<S>	TRANSACTION VALUATION*	<C>	AMOUNT OF FILING FEE**
	\$32,702,067.40		\$6,541

</TABLE>

\* For purposes of calculating the fee only. The amount assumes the purchase of 3,174,958 shares of common stock, no par value per share, of Digital Link Corporation at \$10.30 net in cash per share, which represents 90% of all outstanding shares at September 9, 1999 not owned by the persons filing this statement (other than The Naren and Vinita Gupta Foundation).

\*\* The amount of the filing fee calculated in accordance with Exchange Act Rule 0-11 equals 1/50th of 1% of the value of the securities proposed to be acquired.

/ / Check box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

<TABLE>
<S> <C> <C> <C>
Amount Previously Paid: Filing Party:
Form or Registration No.: Date Filed:
</TABLE>

INTRODUCTION

This Rule 13e-3 Transaction Statement (the "Schedule 13E-3") relates to a tender offer by DLZ Corp. ("Purchaser") to purchase all of the outstanding shares of Common Stock, no par value per share (the "Shares"), of Digital Link Corporation, a California corporation (the "Company"), not currently owned by Purchaser, for a purchase price of \$10.30 per share, net to the seller in cash, without interest thereon, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated September 10, 1999 (the "Offer to Purchase") and in the related Letter of Transmittal (the "Letter of Transmittal" and, together with the Offer to Purchase, the "Offer"), copies of which are filed as exhibits (a)(1) and (a)(2) respectively to the Tender Offer Statement on Schedule 14D-1 (the "Schedule 14D-1") filed by Purchaser with the Securities and Exchange Commission on the date hereof. This Schedule 13E-3 is being filed by Purchaser.

The following cross-reference sheet is being supplied pursuant to General Instruction F to Schedule 13E-3 and shows the location in the Schedule 14D-1 of the information required to be included in response to the items of this Schedule 13E-3. The information set forth in the Schedule 14D-1, including all exhibits thereto, is hereby expressly incorporated herein by reference and the responses to each item of this Schedule 13E-3 are qualified in their entirety by reference to the information contained in the Schedule 14D-1 and the exhibits thereto. All cross references to the Schedule 14D-1 are to the Offer to Purchase.

The information contained in this Schedule 13E-3 concerning the Company, including, without limitation, information concerning the Company's capital structure and historical statements, directors and executive officers, was obtained from the Company's publicly available filings with the Securities and Exchange Commission. None of the persons filing this statement takes responsibility for the accuracy of such information.

CROSS REFERENCE SHEET TO
SCHEDULE 14D-1

<TABLE>
<CAPTION>

Table with 3 columns: ITEM AND CAPTION OF SCHEDULE 13E-3, LOCATION IN SCHEDULE 14D-1. Rows include ISSUER AND CLASS OF SECURITY SUBJECT TO THE TRANSACTION, IDENTITY AND BACKGROUND, PAST CONTACTS, TRANSACTIONS OR NEGOTIATIONS, and TERMS OF THE TRANSACTION.

5.	PLANS OR PROPOSALS OF THE ISSUER OR AFFILIATE. (a) - (g).....	5 (a) - (g)
6.	SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION. (a)..... (b)..... (c)..... (d).....	4 (a) * 4 (b) 4 (c)
7.	PURPOSES, ALTERNATIVES, REASONS AND EFFECTS. (a)..... (b) - (d).....	5 *
8.	FAIRNESS OF THE TRANSACTION. (a) - (f).....	*
9.	REPORTS, OPINIONS, APPRAISALS AND CERTAIN NEGOTIATIONS. (a) - (c).....	*
10.	INTEREST IN SECURITIES OF THE ISSUER. (a) - (b).....	6
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12.	PRESENT INTENTION AND RECOMMENDATION OF CERTAIN PERSONS WITH REGARD TO THE TRANSACTION. (a) - (c).....	*
13.	OTHER PROVISIONS OF THE TRANSACTION. (a) - (c).....	*
14.	FINANCIAL INFORMATION. (a)..... (b).....	9 *
15.	PERSONS AND ASSETS EMPLOYED, RETAINED OR UTILIZED. (a)..... (b).....	* 8
16.	ADDITIONAL INFORMATION.....	10 (f)
17.	MATERIAL TO BE FILED AS EXHIBITS.....	Separately filed with this Schedule 13E-3.

</TABLE>

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\* The Item is not required by Schedule 14D-1 of the Securities and Exchange Act, of 1934, as amended, is inapplicable or the answer thereto is in the negative.

ITEM 1. ISSUER AND CLASS OF SECURITY SUBJECT TO THE TRANSACTION.

(a)-(c) The answers to Items 1 (a) - (c) of the Schedule 14D-1 are incorporated herein by reference. Information concerning the approximate number of holders of record of the Shares is set forth under the heading "Introduction" of the Offer to Purchase and is incorporated herein by reference.

(d) The information set forth under the heading "The Tender Offer--Section 5. Price Range of Shares; Dividends" of the Offer to Purchase is incorporated herein by reference.

(e) Not applicable.

(f) The information set forth under the headings "Special Factors--Section 1. Background of the Offer," "Special Factors--Section 3. Interests of Certain Persons in the Offer and the Merger," "The Tender Offer--Section 7. Certain Information Concerning Purchaser and the Gupta Family" of the Offer to Purchase and in Schedule III, Interests of the Gupta Family in the Company, to the Offer to Purchase is incorporated herein by reference.

ITEM 2. IDENTITY AND BACKGROUND.

(a)-(g) This Schedule 13E-3 is being filed by Purchaser, Vinita Gupta, Narendra Gupta, the Gupta Children's Trust Agreement, the Narendra and Vinita Gupta Living Trust and The Naren and Vinita Gupta Foundation. The answers to Item 2 of the Schedule 14D-1 are incorporated herein by reference.

ITEM 3. PAST CONTACTS, TRANSACTIONS OR NEGOTIATIONS.

(a)-(b) The information set forth under the headings "Introduction," "Special Factors--Section 1. Background of the Offer," "Special Factors--Section 3. Interests of Certain Persons in the Offer and the Merger," "Special Factors--Section 5. The Merger Agreement" and "The Tender Offer--Section 7. Certain Information Concerning Purchaser and the Gupta Family" of the Offer to Purchase and in Schedule III, Interests of the Gupta Family in the Company, to the Offer to Purchase is incorporated herein by reference.

ITEM 4. TERMS OF THE TRANSACTION.

(a)-(b) The information set forth under the headings "Introduction," "Special Factors--Section 2. Purposes and Structure of the Offer and the Merger; Plans for the Company," "Special Factors-- Section 3. Interests of Certain Persons in the Offer and the Merger," "Special Factors--Section 5. The Merger Agreement," "The Tender Offer--Section 1. Terms of the Offer," "The Tender Offer-- Section 8. Source and Amount of Funds," "The Tender Offer--Section 11. Certain Conditions of the Offer," and "The Tender Offer--Section 12. Certain Regulatory and Legal Matters" of the Offer to Purchase is incorporated herein by reference.

ITEM 5. PLANS OR PROPOSALS OF THE ISSUER OR AFFILIATE.

(a)-(g) The information set forth under the headings "Introduction," "Special Factors--Section 2. Purposes and Structure of the Offer and the Merger; Plans for the Company," "Special Factors-- Section 5. The Merger Agreement" and "The Tender Offer--Section 10. Certain Effects of the Transaction" of the Offer to Purchase is incorporated herein by reference.

ITEM 6. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

(a) The information set forth under the heading "The Tender Offer--Section 8. Source and Amount of Funds" of the Offer to Purchase is incorporated herein by reference.

(b) The information set forth under the heading "The Tender Offer--Section 13. Fees and Expenses" of the Offer to Purchase is incorporated herein by reference.

(c) The information set forth under the heading "The Tender Offer--Section 8. Source and Amount of Funds" of the Offer to Purchase is incorporated herein by reference.

(d) Not applicable.

ITEM 7. PURPOSE(S), ALTERNATIVES, REASONS AND EFFECTS.

(a) The information set forth under the headings "Introduction," "Special Factors--Section 2. Purpose and Structure of the Offer and the Merger; Plans for the Company" and "The Tender Offer-- Section 10. Certain Effects of the Transaction" of the Offer to Purchase is incorporated herein by reference.

(b)-(d) The information set forth under the headings "Special Factors--Section 2. Purposes and Structure of the Offer and the Merger; Plans for the Company," "Special Factors--Section 4 Fairness of the Offer and Merger," "Special Factors--Section 5. The Merger Agreement," "Special Factors-- Section 6. Certain United States Federal Income Tax Consequences," and "The Tender Offer-- Section 10. Certain Effects of the Transaction" of the Offer to Purchase is incorporated herein by reference.

ITEM 8. FAIRNESS OF THE TRANSACTION.

(a)-(b) The information set forth under the headings "Introduction" and "Special Factors-- Section 4. Fairness of the Offer" of the Offer to Purchase is incorporated herein by reference.

(c)-(e) The information set forth under the headings "Introduction," "Special Factors--Section 1. Background of the Offer," "Special Factors--Section 2. Purposes and Structure of the Offer and Merger and the Merger; Plans for the Company," "Special Factors--Section 4. Fairness of the Offer," "Special Factors--Section 5. The Merger Agreement," and "Tender Offer--Section 1. Terms of the Offer" of the Offer to Purchase is incorporated herein by reference.

(f) Not applicable.

ITEM 9. REPORTS, OPINIONS, APPRAISALS AND CERTAIN NEGOTIATIONS.

(a)-(c) The information set forth under the headings "Introduction" and "Special Factors-- Section 4. Fairness of the Offer" of the Offer to Purchase is incorporated herein by reference.

ITEM 10. INTEREST IN SECURITIES OF THE ISSUER.

(a)-(b) The information set forth under the headings "Introduction," "Special Factors--Section 1. Background of the Offer," "Special Factors--Section

3. Interests of Certain Persons in the Offer and the Merger" and "The Tender Offer--Section 7. Certain Information Concerning Purchaser and the Gupta Family" of the Offer to Purchase and in Schedule III, Interests of the Gupta Family in the Company to the Offer to Purchase is incorporated herein by reference.

ITEM 11. CONTRACTS, ARRANGEMENTS OR UNDERSTANDINGS WITH RESPECT TO THE ISSUER'S SECURITIES.

The information set forth under the headings "Introduction," "Special Factors--Section 1. Background of the Offer," "Special Factors--Section 3. Interests of Certain Persons in the Offer and the Merger," "Special Factors--Section 5. The Merger Agreement" and "The Tender Offer--Section 7. Certain Information Concerning Purchaser and the Gupta Family" of the Offer to Purchase and in Schedule III, Interests of the Gupta Family in the Company, to the Offer to Purchase is incorporated herein by reference.

ITEM 12. PRESENT INTENTION AND RECOMMENDATION OF CERTAIN PERSONS WITH REGARD TO THE TRANSACTION.

(a) The information set forth under the heading "Introduction" of the Offer to Purchase is incorporated herein by reference.

(b) The information set forth under the headings "Introduction," "Special Factors--Section 1. Background of the Offer," "Special Factors--Section 3. Interests of Certain Persons in the Offer and the Merger," "Special Factors--Section 4. Fairness of the Offer," and "Special Factors--Section 5. The Merger Agreement" of the Offer to Purchase is incorporated herein by reference.

ITEM 13. OTHER PROVISIONS OF THE TRANSACTION.

(a) The information set forth in the sections entitled "Special Factors--Section 7. Dissenters' Rights" and "The Tender Offer--Section 12. Certain Regulatory and Legal Matters" of the Offer to Purchase and in Schedule IV, Chapter 13 of the California General Corporation Law, to the Offer to Purchase is incorporated herein by reference.

(b) Not applicable.

(c) Not applicable.

ITEM 14. FINANCIAL INFORMATION.

(a) The audited financial statements of the Company set forth on pages 26 through 47 in the Company's Annual Report on Form 10-K for the year ended December 31, 1998 are incorporated herein by reference. The unaudited financial statements of the Company set forth in the Company's Quarterly Reports on Form 10Q for the quarterly periods ended March 31, 1999 and June 30, 1999, respectively, are incorporated herein by reference. The information set forth in the section entitled "The Tender Offer--Section 6. Certain Information Concerning the Company" of the Offer to Purchase is incorporated herein by reference.

(b) Not applicable.

ITEM 15. PERSONS AND ASSETS EMPLOYED, RETAINED OR UTILIZED.

(a) The information set forth in the section entitled "The Tender Offer--Section 8. Source and Amount of Funds" of the Offer to Purchase is incorporated herein by reference.

(b) Not applicable.

ITEM 16. ADDITIONAL INFORMATION.

The answer to Item 10(f) of the Schedule 14D-1 is incorporated herein by reference.

ITEM 17. MATERIAL TO BE FILED AS EXHIBITS.

(a) (1) Commitment Letter dated September 9, 1999, between Comerica Bank-California and DLZ Corp. (filed as exhibit (b) (1) to the Schedule 14D-1 and incorporated herein by reference).

(a) (2) Commitment Letter dated September 9, 1999, between Comerica Bank-California and DLZ Corp. (filed as exhibit (b) (2) to the Schedule 14D-1 and incorporated herein by reference).

(b) (1) Fairness Opinion of Sutter Securities Incorporated, dated as of September 3, 1999 (attached as Schedule I to the Offer to Purchase and incorporated herein by reference).

(b) (2) Fairness Opinion of Dain Rauscher Wessels, dated as of September 3, 1999.

(c) (1) Agreement and Plan of Merger dated as of September 3, 1999, between DLZ Corp. and Digital Link Corporation (filed as exhibit (c) (1) to the Schedule 14D-1 and incorporated herein by reference).

(c) (2) Form of Subscription Agreement to be entered into by DLZ Corp. and certain members of the Gupta Family (filed as exhibit (c) (2) to the Schedule 14D-1 and incorporated herein by reference).

(c) (3) Depositary Agreement dated September 9, 1999, between Harris Trust Company of New York and DLZ Corp. (filed as exhibit (c) (3) to the Schedule 14D-1 and incorporated herein by reference).

(d) (1) Offer to Purchase (filed as exhibit (a) (1) to the Schedule 14D-1 and incorporated herein by reference).

(d) (2) Letter of Transmittal (filed as exhibit (a) (2) to the Schedule 14D-1 and incorporated herein by reference).

(d) (3) Notice of Guaranteed Delivery (filed as exhibit (a) (3) to the Schedule 14D-1 and incorporated herein by reference).

(d) (4) Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees (filed as exhibit (a) (4) to the Schedule 14D-1 and incorporated herein by reference).

(d) (5) Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees (filed as exhibit (a) (5) to the Schedule 14D-1 and incorporated herein by reference).

(d) (6) Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 (filed as exhibit (a) (6) to the Schedule 14D-1 and incorporated herein by reference).

(d) (7) Text of Press Release issued jointly by Purchaser and by the Company, dated September 3, 1999 (filed as exhibit (a) (7) to the Schedule 14D-1 and incorporated herein by reference).

(d) (8) Summary Advertisement, dated September 10, 1999 (filed as exhibit (a) (8) to the Schedule 14D-1 and incorporated herein by reference).

(e) (1) Appraisal Rights of Dissenting Stockholders Under Chapter 13 of the California General Corporation Law (attached as Schedule IV to the Offer to Purchase and incorporated herein by reference).

(f) Not applicable.

(g) (1) Complaint in EDWARD ABOFF, ET AL. V. RICHARD C. ALBERDING, ET. AL., Case No. CV784389, filed with the Superior Court of the State of California for the County of Santa Clara (filed as exhibit (g) (1) to the Schedule 14D-1 and incorporated herein by reference).

(g) (2) Complaint in WILLIAM LEVY, ET. AL. V. DIGITAL LINK CORPORATION, ET. AL., Case No. CV784407, filed with the Superior Court of the State of California for the County of Santa Clara (filed as exhibit (g) (2) to the Schedule 14D-1 and incorporated herein by reference).

(g) (3) Complaint in ANDREW CURTIS WRIGHT, ET. AL. V. DIGITAL LINK CORPORATION, ET. AL., Case No. CV784405, filed with the Superior Court of the State of California for the County of Santa Clara (filed as exhibit (g) (3) to the Schedule 14D-1 and incorporated herein by reference).

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

<TABLE>

<S>

<C>

<C>

By: /s/ VINITA GUPTA  
 -----  
 Name: Vinita Gupta  
 President and Chief Executive  
 Title: Officer

GUPTA CHILDREN'S TRUST AGREEMENT

By: /s/ VINITA GUPTA  
 -----  
 Name: Vinita Gupta  
 Title: Trustee

By: /s/ NARENDRA K. GUPTA  
 -----  
 Name: Narendra K. Gupta  
 Title: Trustee

NARENDRA AND VINITA GUPTA LIVING TRUST

By: /s/ VINITA GUPTA  
 -----  
 Name: Vinita Gupta  
 Title: Trustee

By: /s/ NARENDRA K. GUPTA  
 -----  
 Name: Narendra K. Gupta  
 Title: Trustee

THE NAREN AND VINITA GUPTA FOUNDATION

By: /s/ VINITA GUPTA  
 -----  
 Name: Vinita Gupta  
 Title: Trustee

By: /s/ NARENDRA GUPTA  
 -----  
 Name: Narendra Gupta  
 Title: Trustee

/s/ VINITA GUPTA  
 -----  
 Vinita Gupta

/s/ NARENDRA K. GUPTA  
 -----  
 Narendra K. Gupta

</TABLE>

EXHIBIT INDEX

<TABLE>

<CAPTION>

EXHIBIT NUMBER	DESCRIPTION
-------------------	-------------

<S>

<C>

- |         |                                                                                                                                                                                                   |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) (1) | Commitment Letter dated September 9, 1999, between Comerica Bank-California and DLZ Corp. (filed as exhibit (b) (1) to the Schedule 14D-1 and incorporated herein by reference).                  |
| (a) (2) | Commitment Letter dated September 9, 1999, between Comerica Bank-California and DLZ Corp. (filed as exhibit (b) (2) to the Schedule 14D-1 and incorporated herein by reference).                  |
| (b) (1) | Fairness Opinion of Sutter Securities Incorporated, dated as of September 3, 1999 (attached as Schedule I to the Offer to Purchase and incorporated herein by reference).                         |
| (b) (2) | Fairness Opinion of Dain Rauscher Wessels, dated as of September 3, 1999.                                                                                                                         |
| (c) (1) | Agreement and Plan of Merger dated as of September 3, 1999, between DLZ Corp. and Digital Link Corporation (filed as exhibit (c) (1) to the Schedule 14D-1 and incorporated herein by reference). |
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| (c) (3) | Depositary Agreement dated September 9, 1999, between Harris Trust Company of New York and DLZ Corp. (filed as exhibit (c) (3) to the Schedule 14D-1 and incorporated herein by reference).       |
| (d) (1) | Offer to Purchase (filed as exhibit (a) (1) to the Schedule 14D-1 and incorporated herein by reference).                                                                                          |
| (d) (2) | Letter of Transmittal (filed as exhibit (a) (2) to the Schedule 14D-1 and incorporated herein by                                                                                                  |



- reference).
- (d) (3) Notice of Guaranteed Delivery (filed as exhibit (a) (3) to the Schedule 14D-1 and incorporated herein by reference).
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  - (d) (5) Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees (filed as exhibit (a) (5) to the Schedule 14D-1 and incorporated herein by reference).
  - (d) (6) Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 (filed as exhibit (a) (6) to the Schedule 14D-1 and incorporated herein by reference).
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  - (f) Not applicable
  - (g) (1) Complaint in EDWARD ABOFF, ET AL. V. RICHARD C. ALBERDING, ET. AL., Case No. CV784389, filed with the Superior Court of the State of California for the County of Santa Clara (filed as exhibit (g) (1) to the Schedule 14D-1 and incorporated herein by reference).
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</TABLE>

[DAIN RAUSCHER WESSELS LETTERHEAD]

September 3, 1999

The Special Committee of the Board of Directors  
Digital Link Corporation  
217 Humboldt Court  
Sunnyvale, CA 94089-1300

Directors:

You have requested our opinion as to the fairness, from a financial point of view, to the stockholders of Digital Link Corporation, a California corporation (the "Company"), of the consideration to be received by the stockholders pursuant to the terms of the proposed Agreement and Plan of Merger (the "Agreement") dated as of September 3, 1999, by and between DLZ Corporation, a California corporation (the "Purchaser") and the Company. Capitalized terms used herein shall have the meanings used in the Agreement unless otherwise defined herein.

Pursuant to the Agreement, each outstanding share of common stock, \$.01 par value per share, of the Company is proposed to be purchased at a price of \$10.30 per Share, net to seller in cash, without interest thereon, upon the terms and subject to the conditions set forth in the Offer to Purchase (the "Offer to Purchase") of Purchaser and the related Letter of Transmittal (collectively, the "Offer"), which will be filed as exhibits to each of (a) the Tender Offer Statement on Schedule 14D-1 (together with all supplements or amendments thereto, the "Schedule 14D-1") and (b) the Transaction Statement on Schedule 13E-3 (together with all supplements or amendments thereto, the "Schedule 13E-3") in respect of the Offer to be filed by Purchaser with the Securities and Exchange Commission.

Dain Rauscher Wessels, a division of Dain Rauscher Incorporated ("Dain Rauscher Wessels"), as part of its investment banking services, is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, corporate restructurings, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes.

We are acting as financial advisor to the Special Committee of the Board of Directors of the Company, in connection with providing a fairness opinion (the "Opinion") to the Board of Directors of the Company, and will receive a fee for our services. In addition, the Company has agreed to indemnify us for certain liabilities arising out of our engagement. In the ordinary course of business, Dain Rauscher Wessels acts as a market maker and broker in the publicly traded securities of the Company and receives customary compensation in connection therewith, and also provides research coverage for the Company for its own account and for the accounts of its customers and, accordingly, may at any time hold a long or short position in such securities.

In connection with our review of the Offer, and in arriving at our opinion, we have: (i) reviewed and analyzed the financial terms of the Agreement; (ii) reviewed and analyzed certain publicly available financial and other data with respect to the Company and certain other historical relevant operating data relating to the Company made available to us from published sources and from the internal records of the Company; (iii) conducted discussions with members of the senior management of the Company with respect to the business prospects and financial outlook of the Company; (iv) reviewed the reported prices and trading activity for the Company's Common Stock; (v) compared the financial performance of the Company and the prices of the Company's Common Stock with that of certain other publicly-traded companies which we have deemed comparable to the Company and their securities; and (vi) reviewed the financial terms, to the extent publicly available, of certain merger transactions which we have deemed comparable to the Offer. In addition, we have conducted such other analyses and examinations and considered such other financial, economic and market criteria as we have deemed necessary in arriving at our opinion.

With respect to the data and discussions relating to the business prospects and financial outlook of the Company, upon advice of the Company we have assumed that such data has been reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of the Company as to the future financial performance of the Company and that the Company will perform substantially in accordance with such financial data and estimates. We express no opinion as to such financial data and estimates or the assumptions on which they were based. We have assumed the Offer will be consummated upon the terms set forth in the Agreement without material alteration thereof.

In rendering our opinion, we have assumed and relied upon the accuracy and completeness of the financial, legal, tax, operating and other information provided to us by the Company (including without limitation the financial statements and related notes thereto of the Company), and have not assumed responsibility for independently verifying and have not independently verified such information. We have not assumed any responsibility to perform, and have not performed, an independent evaluation or appraisal of any of the respective assets or liabilities of the Company, and we have not been furnished with any such valuations or appraisals. In addition, we have not assumed any obligation to conduct, and have not conducted, any physical inspection of the books and records or property or facilities of the Company. We have not been asked to, and did not, solicit third-party indications of interest for the acquisition of the Company, or evaluate the merits of any alternative transaction to the Offer. Additionally, we have not been asked to and did not consider the possible effects of any litigation, other legal claims or any other contingent matters.

Our opinion speaks only as of the date hereof, is necessarily based on the conditions as they exist and information which we have been supplied as of the date hereof, and is without regard to any market, economic, financial, legal or other circumstances or event of any kind or nature which may exist or occur after such date. Our advisory services and the opinion expressed herein are provided for the information and assistance of the Special Committee of the Board of Directors of the Company in connection with its consideration of the

transaction contemplated by the Agreement and such opinion does not constitute a recommendation to any stockholder as to how such stockholder should vote with respect to such transaction. Further, our opinion does not address the merits of the underlying decision by the Company to engage in such transaction.

Based on our experience as investment bankers and subject to the foregoing, including the various assumptions and limitations set forth herein, it is our opinion that, as of the date hereof, the consideration to be received by the holders of the Company's Common Stock pursuant to the Agreement is fair, from a financial point of view, to the holders of the Company's Common Stock.

Very truly yours,  
/s/ Dain Rauscher Wessels  
Dain Rauscher Wessels  
a division of Dain Rauscher  
Incorporated