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11 UNITED STATES DISTRICT COURT
12 CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION

13 IN RE HEWLETT-PACKARD
14 COMPANY SECURITIES
15 LITIGATION

Case No. SACV 11-1404 AG (RNBx)

**ORDER GRANTING
PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT
AND DIRECTING NOTICE TO THE
SETTLEMENT CLASS**

17 Judge: Hon. Andrew J. Guilford
18 Dept.: Courtroom 10D
Complaint Filed: October 19, 2012
19 Trial Date: October 7, 2014

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1 WHEREAS, as of March 31, 2014, (a) Arkansas Teacher Retirement
2 System, Union Asset Management Holding AG, Labourers’ Pension Fund of
3 Central and Eastern Canada, LIUNA National (Industrial) Pension Fund and
4 LIUNA Staff & Affiliates Pension Fund (collectively the “Institutional Investor
5 Group” or “Lead Plaintiffs”), on behalf of themselves and the proposed Settlement
6 Class; (b) Hewlett-Packard Company (“HP” or the “Company”); and (c) Léo
7 Apotheker, and R. Todd Bradley (the “Individual Defendants” and, collectively
8 with the Company, the “Defendants”), by and through their respective duly
9 authorized counsel, entered into a Stipulation and Agreement of Settlement (the
10 “Settlement Agreement”) in the above-captioned litigation (the “Action”), which is
11 subject to review under Rule 23 of the Federal Rules of Civil Procedure and which,
12 together with the exhibits thereto, sets forth the terms and conditions of the
13 proposed settlement of the claims alleged in the Second Amended Class Action
14 Complaint for Violations of the Federal Securities Laws, filed in this Action on
15 October 19, 2012 (“Complaint”) against the Defendants on the merits and with
16 prejudice (the “Settlement”);

17 WHEREAS, all capitalized terms used in this Order that are not otherwise
18 defined herein have the meanings defined in the Settlement Agreement;

19 WHEREAS, the Court has read and considered the Settlement Agreement to
20 determine, among other things, whether the Settlement is sufficiently fair,
21 reasonable, and adequate to warrant the issuance of notice of the proposed
22 Settlement to the members of the Settlement Class; and

23 WHEREAS, the Settling Parties to the Settlement Agreement have consented
24 to the entry of this Order;

25 NOW, THEREFORE, the Court, declares that it is hereby ORDERED,
26 ADJUDGED AND DECREED as follows:

27 1. Jurisdiction. The Court has jurisdiction over the subject matter of this
28 Action and over the Settling Parties.

1 2. Settlement Class. The Court hereby certifies the following class for
2 the purposes of settlement only (the “Settlement Class”), pursuant to Rule 23(a)
3 and Rule 23(b)(3) of the Federal Rules of Civil Procedure: all persons and entities
4 that, during the period from November 22, 2010 to and through August 18, 2011
5 (the “Class Period”), purchased or otherwise acquired shares of Hewlett-Packard
6 Company’s publicly traded common stock in the open market, and were damaged
7 thereby. Excluded from the Settlement Class are: the Defendants; members of the
8 Immediate Families of the Individual Defendants; all of HP’s subsidiaries and
9 affiliates; any person who is or was an officer or director of HP or any of HP’s
10 subsidiaries or affiliates during the Class Period; any entity in which any
11 Defendant has a controlling interest; and the legal representatives, heirs,
12 successors, and assigns of any such excluded person or entity. Also excluded from
13 the Settlement Class are those persons and entities who submit valid and timely
14 requests for exclusion from the Settlement Class in accordance with the
15 requirements set forth in the Notice.

16 3. The Court finds and concludes that the prerequisites of class action
17 certification under Rules 23(a) and 23(b)(3) of the Federal Rules of Civil
18 Procedure have been satisfied for the Settlement Class defined herein, in that:

- 19 (a) the members of the Settlement Class are so numerous that
20 joinder of all Settlement Class Members is impracticable;
- 21 (b) there are questions of law and fact common to Settlement Class
22 Members;
- 23 (c) Lead Plaintiffs’ claims are typical of the Settlement Class’s
24 claims;
- 25 (d) Lead Plaintiffs and their counsel have fairly and adequately
26 represented and protected the interests of the Settlement Class;
- 27 (e) the questions of law and fact common to the Settlement Class
28 Members predominate over any individual questions; and

1 (f) a class action is superior to other available methods for the fair
2 and efficient adjudication of the controversy, considering that the claims of
3 Settlement Class Members in the Action are substantially similar and would, if
4 tried, involve substantially identical proofs and may therefore be efficiently
5 litigated and resolved on an aggregate basis as a class action; the amounts of the
6 claims of many of the Settlement Class Members are too small to justify the
7 expense of individual actions; and it does not appear that there is any intent among
8 Settlement Class Members in individually controlling the litigation of their claims.

9 4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for
10 the purposes of the Settlement only, Lead Plaintiffs, the Institutional Investor
11 Group composed of Arkansas Teacher Retirement System, Union Asset
12 Management Holding AG, Labourers' Pension Fund of Central and Eastern
13 Canada, LIUNA National (Industrial) Pension Fund and LIUNA Staff & Affiliates
14 Pension Fund are certified as Class Representatives for the Settlement Class.

15 5. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for
16 the purposes of the Settlement only, the law firms of Labaton Sucharow LLP and
17 Motley Rice LLC are appointed Class Counsel for the Settlement Class.

18 6. Any Settlement Class Member may enter an appearance in this
19 Action, at his, her, or its own expense, individually or through counsel of his, her,
20 or its own choice. If any Settlement Class Member does not enter an appearance,
21 he, she or it will be represented by Co-Lead Counsel.

22 7. Preliminary Findings Concerning Proposed Settlement. The Court
23 preliminarily finds that the proposed Settlement should be approved as: (i) the
24 result of serious, extensive arm's-length and non-collusive negotiations; (ii) falling
25 within a range of reasonableness warranting final approval; (iii) having no obvious
26 deficiencies; (iv) not improperly granting preferential treatment to the Lead
27 Plaintiffs or segments of the Settlement Class; and (v) warranting notice of the
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1 proposed Settlement to Settlement Class Members and further consideration of the
2 Settlement at the fairness hearing described below.

3 8. Settlement Hearing. A hearing (the “Settlement Hearing”) will be
4 held on September 15, 2014 at 10:00 a.m. before the Honorable Andrew J.
5 Guilford in Courtroom 10D of the United States District Court for the Central
6 District of California, 411 W. Fourth Street, Santa Ana, California, 92701, to
7 determine, among other things:

8 (a) whether the proposed Settlement of the Action on the terms and
9 conditions provided in the Settlement Agreement is fair, reasonable, and adequate
10 and should be approved by the Court;

11 (b) whether a Final Judgment and Order of Dismissal with
12 Prejudice substantially in the form of Exhibit B to the Settlement Agreement should
13 be entered, dismissing the Action in its entirety and with prejudice; whether the
14 covenants by the Settlement Class and the release by the Settlement Class of the
15 Released Claims, as set forth in the Settlement Agreement, should be provided to
16 the Released Defendant Parties; and whether the Settlement Class should be
17 forever barred and enjoined from commencing, instituting, prosecuting or
18 maintaining any of the Released Claims against the Released Defendant Parties;

19 (c) whether the proposed Plan of Allocation of the Net Settlement
20 Fund is fair and reasonable and should be approved by the Court;

21 (d) whether the Settlement Class should be finally certified for the
22 purposes of the Settlement only; whether Lead Plaintiffs should be finally certified
23 as Class Representatives for the Settlement Class; and whether the law firms of
24 Labaton Sucharow LLP and Motley Rice LLC should be finally appointed Class
25 Counsel for the Settlement Class;

26 (e) whether Plaintiffs’ Counsel’s application for a Fee and Expense
27 Award should be granted; and
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1 (f) such other matters as may properly be before the Court in
2 connection with the Settlement.

3 9. The Court reserves the right to approve the Settlement with or without
4 modification and with or without further notice to the Settlement Class of any kind.
5 The Court further reserves the right to enter the Judgment approving the Settlement
6 regardless of whether it has approved the Plan of Allocation or awarded attorneys'
7 fees and/or expenses. The Court may also adjourn the Settlement Hearing or
8 modify any of the dates herein without further notice to members of the Settlement
9 Class.

10 10. Notice. The Court approves the form, substance, and requirements of
11 the Notice and Summary Notice (together, the "Notices") and the Proof of Claim
12 form annexed hereto as Exhibits 1-3 and finds that the procedures established for
13 publication, mailing, and distribution of the Notices and Proof of Claim form
14 substantially in the manner and form set forth in paragraphs 10-12 of this Order: (a)
15 constitute the best notice to Settlement Class Members practicable under the
16 circumstances; (b) are reasonably calculated, under the circumstances, to describe
17 the terms and effect of the Settlement Agreement and of the Settlement and to
18 apprise Settlement Class Members of their right to object to the proposed
19 Settlement or to exclude themselves from the Settlement Class; (c) are reasonable
20 and constitute due, adequate, and sufficient notice to all persons entitled to receive
21 such notice; and (d) satisfy all applicable requirements of the Federal Rules of Civil
22 Procedure (including Rules 23(c) and (d)), the United States Constitution
23 (including the Due Process Clause), Section 21D(a)(7) of the Securities Exchange
24 Act of 1934, 15 U.S.C. § 78u-4(a)(7), as amended by the Private Securities
25 Litigation Reform Act of 1995 ("PSLRA"), the Rules of this Court, and any other
26 applicable law.

27 11. Retention of Claims Administrator and Manner of Notice. The Court
28 approves the retention of GCG, Inc. as the Claims Administrator to supervise and

1 administer the notice procedure and the processing of claims under the supervision
2 of Co-Lead Counsel as more fully set forth below:

3 (a) Not later than ten (10) business days after entry of this Order by
4 this Court (the “Notice Date”), the Claims Administrator shall cause the Notice,
5 substantially in the form attached hereto as Exhibit 1, along with a Proof of Claim
6 form, substantially in the form attached hereto as Exhibit 2, to be sent to each
7 Settlement Class Member who can be identified by reasonable effort. Such notice
8 shall be sent by first-class mail, postage prepaid, to the Settlement Class Members’
9 last known address. Not later than five (5) business days after entry of this Order,
10 HP shall provide to Co-Lead Counsel, or the Claims Administrator, at no cost, a
11 list in electronic searchable form of the names and addresses of the Persons who
12 purchased HP common stock during the Class Period, as identified in the records
13 maintained by HP’s external benefit plans administrators and its transfer agent.

14 (b) Not later than fourteen (14) calendar days after the Notice Date,
15 the Claims Administrator shall cause the Summary Notice, substantially in the
16 form attached hereto as Exhibit 3, to be published in the *Wall Street Journal* and
17 disseminated over *PR Newswire*, a national business-oriented wire service. The
18 Summary Notice need not be published in each of these media on the same day.

19 (c) Not later than thirty-five (35) calendar days before the
20 Settlement Hearing, Co-Lead Counsel shall file with the Court one or more
21 affidavits or declarations showing timely compliance with the foregoing mailing
22 and publication requirements.

23 12. Nominee Purchasers. Banks, brokerage firms, institutions, and other
24 Persons who are nominees that purchased HP common stock for the beneficial
25 interest of other Persons during the Class Period (“Nominee Purchasers”) shall,
26 within seven (7) calendar days of receiving the Notice: (a) provide to the Claims
27 Administrator the name and last-known address of each such beneficial owner; or
28 (b) request additional copies of the Notice and Proof of Claim form and, within

1 seven (7) calendar days of receipt, mail the Notice and Proof of Claim form directly
2 to such beneficial owners. Nominee Purchasers following procedure (b) shall
3 promptly send a statement to the Claims Administrator confirming that the mailing
4 was made as directed. The Claims Administrator shall, if requested, and upon
5 receipt of appropriate supporting documentation, reimburse Nominee Purchasers
6 out of the Settlement Fund solely for Nominee Purchasers' reasonable out-of-
7 pocket expenses incurred in sending the Notice and Proof of Claim form to the
8 beneficial owners who are potential Settlement Class Members, which expenses
9 would not have been incurred except for the sending of such notice, subject to
10 further Order of this Court with respect to any dispute concerning such
11 reimbursement.

12 13. Submission of Proof of Claim Forms. In order to be eligible to receive
13 a distribution from the Net Settlement Fund, in the event the Settlement is effected
14 in accordance with the terms and conditions set forth in the Settlement Agreement,
15 each Settlement Class Member shall take the following actions and be subject to the
16 following conditions:

17 (a) Any Settlement Class Member who wishes to participate in the
18 distributions of the Net Settlement Fund must sign and return a completed Proof of
19 Claim form in accordance with the instructions contained therein and in the Notice.
20 All Proofs of Claim must be submitted by first-class mail, postmarked no later than
21 120 calendar days after the Notice Date. Such deadline may be further extended
22 by Court Order or by Co-Lead Counsel in their discretion. If a Settlement Class
23 Member chooses to return his, her, or its Proof of Claim in a manner other than by
24 first-class mail (including electronic submission), then the Proof of Claim must be
25 actually received by the Claims Administrator no later than 120 calendar days after
26 the Notice Date, or such other date as may be set by the Court or allowed by Co-
27 Lead Counsel. Unless otherwise ordered by the Court, any Settlement Class
28 Member who does not sign and return a valid Proof of Claim within the time

1 provided shall be barred from sharing in the distribution of the Net Settlement
2 Fund, but shall nonetheless be bound by the Settlement Agreement, the Judgment
3 and the releases therein.

4 (b) The Proof of Claim submitted by each Settlement Class
5 Member must satisfy the following conditions, unless otherwise ordered by the
6 Court: (i) it must be properly completed, signed and submitted in a timely manner
7 in accordance with the provisions of the preceding subparagraph; (ii) it must be
8 accompanied by adequate supporting documentation for the transactions reported
9 therein, in the form of broker-confirmation slips, broker-account statements, an
10 authorized statement from the broker containing the transactional information
11 found in a broker confirmation slip, or such other documentation as is deemed
12 adequate by Co-Lead Counsel; (iii) if the person executing the Proof of Claim is
13 acting in a representative capacity, a certification of her current authority to act on
14 behalf of the Settlement Class Member must be included in the Proof of Claim;
15 and (iv) the Proof of Claim must be complete and contain no material deletions or
16 modifications of any of the printed matter contained therein and must be signed
17 under penalty of perjury.

18 (c) As part of the Proof of Claim, each Settlement Class Member
19 shall submit to the jurisdiction of the Court with respect to the claim submitted.

20 14. Exclusions from the Settlement Class. Any Settlement Class Member
21 who does not timely submit a valid written request for exclusion from the
22 Settlement Class in accordance with the instructions in the Notice and herein is a
23 Settlement Class Member and shall be bound by all of the terms and conditions of
24 the Settlement Agreement, and by all proceedings, rulings, orders, and judgments in
25 this Action regardless of whether such Settlement Class Member submits a Proof of
26 Claim form. Requests for exclusion shall be made in writing and shall clearly state
27 the name, mailing address, daytime telephone number, and e-mail address of the
28 Person seeking exclusion; shall state the number of shares of HP publicly traded

1 common stock owned as of the beginning of trading on November 22, 2010 (the
2 first day of the Class Period); shall list the date(s), price(s), and number(s) of shares
3 of all purchases, acquisitions and sales of HP publicly traded common stock during
4 the Class Period; provide documentation of such trading; and state clearly that the
5 Person “wishes to be excluded from the Settlement Class in *In re Hewlett-Packard*
6 *Company Securities Litigation*, No. SACV 11-1404 AG (RNBx) (C.D. Cal.)”
7 Requests for exclusion must be submitted by first-class mail or delivered so that
8 they are received no later than twenty-one (21) days before the Settlement Hearing.
9 A request for exclusion shall not be effective unless it provides the required
10 information set forth herein and in the Notice and is made within the time stated
11 herein, or the request for exclusion is otherwise accepted by the Court. Any
12 Settlement Class Member who is excluded from the Settlement Class shall not be
13 entitled to participate in any distributions from the Net Settlement Fund.

14 15. Objections to Settlement. Any member of the Settlement Class who
15 wishes to object to the fairness, reasonableness, or adequacy of the Settlement, to
16 the Plan of Allocation, to any term of the Settlement Agreement, or to the proposed
17 Fee and Expense Application, may file an objection. An objector must file with
18 the Court a written statement of his, her, or its objection(s): (a) clearly indicating
19 the objector’s name, mailing address, daytime telephone number, and e-mail
20 address; (b) stating that the objector is objecting to the proposed Settlement, Plan
21 of Allocation, or Fee and Expense Application in *In re Hewlett-Packard Company*
22 *Securities Litigation*, No. SACV 11-1404 AG (C.D. Cal.); (c) specifying the
23 reason(s), if any, for the objection, including any legal support and/or evidence,
24 including witnesses, that such objector wishes to bring to the Court’s attention or
25 introduce in support of such objection; (d) stating the number of shares of HP
26 publicly traded common stock owned as of the beginning of trading on November
27 22, 2010 (the first day of the Class Period); (e) listing the date(s), price(s), and
28 number(s) of shares of all purchases, acquisitions and sales of HP publicly traded

1 common stock during the Class Period; and (f) providing documentation of such
2 trading. The objector must mail or deliver the objection and all supporting
3 documentation to Co-Lead Counsel and Defendants' Counsel's representative.
4 The addresses for filing objections with the Court and service on counsel are as
5 follows:

6 ***To the Court:***

7 Clerk of the Court
8 United States District Court
9 for the Central District of California
10 United States Courthouse
11 411 W. Fourth Street
12 Santa Ana, California 92701

13 ***To Co-Lead Counsel:***

14 Gregg S. Levin, Esq.
15 MOTLEY RICE LLC
16 28 Bridgeside Blvd.
17 Mt. Pleasant, SC 29464

18 Jonathan Gardner, Esq.
19 LABATON SUCHAROW LLP
20 140 Broadway
21 New York, NY 10005

22 ***To Defendants' Counsel's Representative:***

23 Marc J. Sonnenfeld, Esq.
24 MORGAN, LEWIS & BOCKIUS LLP
25 1701 Market Street
26 Philadelphia, PA 19103

27 Robert E. Gooding, Jr., Esq.
28 MORGAN, LEWIS & BOCKIUS LLP
5 Park Plaza, Suite 1750
Irvine, CA 92614

1 The objector, or his, her, or its counsel (if any), must serve the objection upon the
2 counsel listed above and file it with the Court so that it is received no later than
3 twenty-one (21) days before the Settlement Hearing. Any member of the
4 Settlement Class who does not timely file and serve a written objection complying
5 with the terms of this paragraph and the Notice shall be deemed to have waived,
6 and shall be foreclosed from raising, any objection to the Settlement, the Plan of
7 Allocation, and the Fee and Expense Application. Any untimely objection shall be
8 barred. Any submissions by the Settling Parties in opposition or response to
9 objections shall be filed with the Court no later than seven (7) days before the
10 Settlement Hearing.

11 16. Appearance at Settlement Hearing. Any objector who files and serves
12 a timely, written objection in accordance with the instructions above and in the
13 Notice, may also appear at the Settlement Hearing either in person or through
14 counsel retained at the objector's expense. Objectors or their attorneys intending to
15 appear at the Settlement Hearing must effect service of a notice of intention to
16 appear on Co-Lead Counsel and on Defendants' Counsel's representative at the
17 addresses set out above. The objector must also file the notice of intention to
18 appear with the Court no later than twenty-one (21) days before the Settlement
19 Hearing. Any objector who does not timely file and serve a notice of intention to
20 appear in accordance with this paragraph and the Notice shall not be permitted to
21 appear at the Settlement Hearing, except for good cause shown.

22 17. Service of Papers. Counsel for the Defendants and Co-Lead Counsel
23 shall promptly furnish all Settling Parties with copies of any and all objections and
24 notices of intention to appear that come into their possession. All papers in support
25 of the Settlement, Plan of Allocation, and Plaintiffs' Counsel's request for an
26 award of attorneys' fees and expenses shall be filed with the Court and served on
27 or before thirty-five (35) calendar days prior to the date set herein for the
28 Settlement Hearing. If reply papers are necessary, they are to be filed with the

1 Court and served no later than seven (7) calendar days prior to the Settlement
2 Hearing.

3 18. Notice and Administration Expenses and Escrow Matters. As
4 provided in the Settlement Agreement, prior to the Effective Date, Co-Lead
5 Counsel may pay the Claims Administrator a portion of the reasonable fees and
6 costs associated with giving notice to the Settlement Class and the review of claims
7 and administration of the Settlement out of the Settlement Fund without further
8 approval from the Defendants and without further order of the Court.

9 19. The passage of title and ownership of the Settlement Fund to the
10 Escrow Agent in accordance with the terms and obligations of the Settlement
11 Agreement is approved. No person who is not a Settlement Class Member or
12 Plaintiffs' Counsel shall have any right to any portion of, or to any distribution of,
13 the Net Settlement Fund unless otherwise ordered by the Court or otherwise
14 provided in the Settlement Agreement. All funds held in escrow shall be deemed
15 and considered to be *in custodia legis* of the Court, and shall remain subject to the
16 jurisdiction of the Court until such time as such funds shall be disbursed pursuant
17 to the Settlement Agreement and/or further order of the Court.

18 20. Bar on Litigating Released Claims. Pending final determination of
19 whether the Settlement should be approved, Lead Plaintiffs and all other
20 Settlement Class Members, and anyone who acts or purports to act on their behalf,
21 shall not institute, prosecute, participate in, or assist in the institution, prosecution,
22 or assertion of any Released Claim against any of the Released Defendant Parties.

23 21. Termination of Settlement. If the Settlement fails to become effective
24 as defined in the Settlement Agreement or is terminated pursuant to the Settlement
25 Agreement, then, in any such event, the Settlement Agreement, including any
26 amendment(s) thereof, except as expressly provided in the Settlement Agreement
27 and this Preliminary Approval Order, shall be null and void, of no further force or
28 effect, and without prejudice to any Settling Party, and may not be introduced as

1 evidence or used in any actions or proceedings by any person or entity against the
2 Settling Parties, and the Settling Parties shall be deemed to have reverted to their
3 respective litigation positions in the Action immediately prior to their acceptance
4 of the mediator's final settlement recommendation.

5 22. Use of Order. This Order shall not be construed or used as an
6 admission, concession, or presumption by or against any of the Released
7 Defendant Parties of any fault, wrongdoing, breach, or liability or as a waiver by
8 any Settling Party of any arguments, defenses, or claims he, she, or it may have in
9 the event that the Settlement Agreement is terminated, nor shall it be used in any
10 manner prohibited by paragraph 48 of the Settlement Agreement. In the event this
11 Order becomes of no force or effect, it shall not be construed or used as an
12 admission, concession, or presumption by or against the Released Defendant
13 Parties, the Released Plaintiff Parties, or the Settlement Class.

14 23. Stay. All proceedings in this Action are stayed until further Order of
15 the Court, except as may be necessary to implement the Settlement or comply with
16 the terms of the Settlement Agreement and this Order. This Court retains
17 exclusive jurisdiction over the Action to consider all further matters arising out of
18 or connected with the Settlement.

19 24. Jurisdiction. The Court retains exclusive jurisdiction over the Action
20 to consider all further matters arising out of or connected with the Settlement.

21 SO ORDERED this 2nd day of May, 2014.

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25 _____
26 ANDREW J. GUILFORD
27 UNITED STATES DISTRICT JUDGE
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