

# *Electrical Workers Pension Fund, Local 103, I.B.E.W. v. HP Inc.*

**COURT:** United States District Court for the Northern District of California  
**CASE NUMBER:** 3:20-cv-01260  
**CLASS PERIOD:** 02/23/2017 - 10/03/2019  
**CASE LEADERS:** Jeremy P. Robinson, Jonathan D. Uslaner, Hannah Ross, Avi Josefson, Michael D. Blatchley

This securities class action was filed in the U.S. District Court for the Northern District of California on behalf of investors in HP Inc. ("HP" or the "Company") common stock who purchased between February 23, 2017 and October 3, 2019, inclusive (the "Class Period"). The case alleged claims under Section 10(b) of the Exchange Act and rule 10b-5 against HP and certain of its current and former senior executives ("Individual Defendants" and, collectively with HP, "Defendants"), under Section 20(a) of the Exchange Act against the Individual Defendants, and under sections 10(b) and 20A of the Exchange Act and rule 10b-5 for insider trading against certain of the Individual Defendants.

## **Lead Plaintiffs Have Settled the Action for \$10.5 Million**

Lead Plaintiffs the State of Rhode Island, Office of the General Treasurer, on behalf of the Employees' Retirement System of Rhode Island, and Iron Workers Local 580 Joint Funds, on behalf of themselves and the Settlement Class, have settled the Action for **\$10,500,000** in cash (the "Settlement"). The Settlement resolves all claims in the Action.

On September 1, 2023, the Court held a hearing to consider final approval of the Settlement and other matters. On September 6, 2023, the Court entered a Judgment Approving Class Action, an Order Approving Plan of Allocation of Net Settlement Fund, and an Order Awarding Attorneys' Fees and Litigation Expenses.

If you are a member of the Settlement Class, your rights will be affected and you may be eligible for a payment from the Settlement. The Settlement Class consists of:

all persons and entities who purchased or otherwise acquired the common stock of HP during the period between February 23, 2017 and October 3, 2019, inclusive, and were damaged thereby.

Certain persons and entities are excluded from the Settlement Class by definition (see paragraph 23 of the Notice) or by request.

Please read the Notice to fully understand your rights and options. The Notice can be found in the Case Documents list on the right of this page. You may also visit the case website, [HPSecuritiesSettlement.com](https://HPSecuritiesSettlement.com), for more information about the Settlement.

The claims administration has been completed. On February 28, 2025, a Motion for Approval of Distribution Plan was filed. On April 4, 2025, the Court approved the distribution of the net settlement fund to Court-approved eligible claimants, which occurred in June 2025. Subsequent distributions will occur on a rolling basis, provided that net settlement funds are available.

Please continue to check this website for further updates.

### **Background and History of the Litigation**

Based in Palo Alto, California, HP is a global provider of personal computers, printers and related supplies, solutions, and services. One of the Company's primary segments is Printing, which encompasses the Supplies business unit consisting of ink and laser cartridges and other consumable products. The Supplies business has been a significant revenue driver for HP.

The Complaint alleges that, throughout the Class Period, Defendants falsely emphasized that its analytical model, called the "four-box model," was an accurate, reliable tool to determine demand, and market share in the Company's Supplies business, and reassured investors that, based on the four-box model, HP had a "clear line of sight to supply stabilization." Furthermore, just prior to the Class Period, as an SEC Cease and Desist Order later made clear, HP had met quarterly financial targets by engaging in "pull-in" sales tactics which sold excess Supplies into the sales channel which cannibalized sales from future quarters. Entering the Class Period, Defendants had assured the market that HP had implemented a "pull" sales model and was only selling Supplies into the sales channel in response to true demand. Unbeknownst to investors, Defendants continued to operate a "push" sales model and pushed tens of millions of dollars of excess inventory into the channel each quarter thereby creating the illusion that HP had stabilized the Supplies business. As a result of Defendants' misrepresentations, shares of HP's common stock traded at artificially inflated prices during the Class Period.

The Complaint alleges that the truth emerged through a series of disclosures, beginning on February 27, 2019, when HP reported disappointing Supplies revenue for the first quarter of fiscal 2019. Significantly, in reporting these results, the Company admitted that its four-box model had been based upon incorrect and insufficient data concerning inventory, market share, and pricing assumptions. The Company also admitted that rather than selling to true end-user demand, the Company had oversold the channel by at least \$100 million. Then, on August 22, 2019, HP announced disappointing earnings results for the third quarter of fiscal 2019, with Supplies revenue down 7% year-over-year. The Company also further reduced its Supplies revenue guidance for fiscal 2019. Finally, on October 3, 2019, after the market closed, HP announced it did not expect Supplies revenue to grow at all past fiscal 2020 and that it was abandoning its supplies-focused business model altogether.

On May 20, 2020, the Court appointed Iron Workers Local 580 Joint Funds ("Iron Workers") as co-Lead Plaintiff and BLB&G as co-Lead Counsel for the Class. On July 20, 2020, Lead Plaintiffs filed the operative Complaint, which was dismissed without prejudice on March 19, 2021. Lead Plaintiffs filed an Amended Complaint on May 3, 2021, which Defendants moved to dismiss on June 4, 2021. Lead Plaintiffs filed an Opposition on June 25, 2021, and Defendants filed a Reply on July 9, 2021. After a hearing on September 9, 2021, the Court issued an Order on September 15, 2021 granting Defendants' motion to dismiss with prejudice.

On October 14, 2021, Lead Plaintiffs filed an appeal of the Court's dismissal of the Action to the Ninth Circuit Court of Appeals. The Parties fully briefed Lead Plaintiffs' appeal and oral argument was scheduled for December 5, 2022.

While Lead Plaintiffs' appeal was pending, the Parties agreed to discuss the possibility of resolving the Action. In November 2022, the Parties reached an agreement to settle the Action for \$10.5 million, subject to the approval of the Court. The Ninth Circuit remanded the case to the trial court to consider approval of the Settlement.

On March 2, 2023, the Parties entered into the Stipulation and Agreement of Settlement setting forth the terms and conditions of the Settlement. On April 7, 2023, the Court preliminarily approved the Settlement and scheduled the Settlement Hearing to consider whether to grant final approval of the Settlement for July 28, 2023.

At the July 28, 2023 hearing, the Court continued the motion for approval of the Settlement and the motion for attorneys' fees and expenses to a hearing scheduled for September 1, 2023 at 10:00 a.m.

On September 1, 2023, the Court held the continued hearing to consider final approval of the Settlement and other matters. On September 6, 2023, the Court entered a Judgment Approving Class Action, an Order Approving Plan of Allocation of Net Settlement Fund, and an Order Awarding Attorneys' Fees and Litigation Expenses.

## Case Documents

- Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Hearing; and (III) Motion for Attorneys' Fees and Litigation Expenses ("Notice")
- April 4, 2025 - Order Granting Distribution Plan as Amended by the Court
- February 28, 2025 - Lead Plaintiffs' Unopposed Motion for Approval of Distribution Plan
- September 6, 2023 - Judgment Approving Class Action Settlement
- September 6, 2023 - Order Approving Plan of Allocation of Net Settlement Fund
- September 6, 2023 - Order Awarding Attorneys' Fees and Litigation Expenses
- August 25, 2023 - Supplemental Memorandum in Further Support of (I) Lead Plaintiffs' Motion for Final Approval of Settlement and Plan of Allocation; and (II) Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses
- August 25, 2023 - Supplemental Declaration of Jack Ewashko Regarding Mailing of Notice and Claims Received
- July 21, 2023 - Reply Memorandum in Further Support of (I) Lead Plaintiffs' Motion for Final Approval of Settlement and Plan of Allocation; and (II) Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses
- June 23, 2023 - Lead Plaintiffs' Motion for Final Approval of Settlement and Plan of Allocation
- June 23, 2023 - Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses
- June 23, 2023 - Joint Declaration of Jennifer L. Joost and Jeremy P. Robinson in Support of: (I) Lead Plaintiff's Motion for Final Approval of Settlement and Plan of Allocation; and (II) Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses
- April 7, 2023 - Order Preliminarily Approving Settlement and Providing for Notice
- March 2, 2023 - Stipulation and Agreement of Settlement
- May 3, 2021 - Amended Complaint for Violations of the Federal Securities Laws
- February 19, 2020 - Notice of Complaint
- February 19, 2020 - Initial Complaint