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HP COS. TO PAY \$25 MILLION TO SETTLE LAWSUIT OVER SALES COMMISSIONS

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HP Inc. and Hewlett Packard Enterprise Company have agreed to pay \$25 million to settle a long-running class action lawsuit brought by current and former employees, who claim that they didn't receive sales commissions and wages owed to them within the time frame required by California law.

Filed in Orange County, the lawsuit was brought by Franklin D. Azar & Associates and other law firms on behalf of approximately 2000 sales representatives. The complaint alleges that executives at the company formerly known as Hewlett-Packard, which split into two entities in 2015, were aware of problems with its commission tracking system as far back as 2009. Employees complained of waiting months after a sale to receive a commission and sometimes even longer to receive a final paycheck after leaving the company.

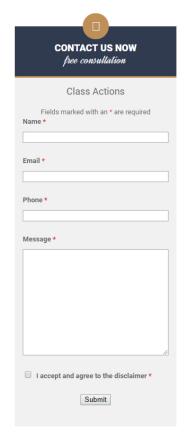
California's Labor Code requires payment of earned wages within specified time frames, and final paychecks within 72 hours of termination. Class members did not receive commissions, on average, for forty to sixty days after a sale was completed; in some instances, plaintiffs waited several months for payment and up to six months for a final paycheck. Many of the problems were attributed to an antiquated software system that allegedly failed to track sales commissions in an accurate and timely way. Business Insider described the dispute as "an embarrassing situation for HPE, a \$31 billion company whose business is built on selling and installing complex tech products for other companies."

Defendants have agreed to improve and correct their commission compensation system as part of the terms of the settlement. which was approved by California Superior Court Judge Randall J. Sherman. The \$25 million payment includes compensation to the class members, penalties payable to the state under the Labor Code Private Attorneys General Act, and attorneys fees

The case, which began nine years ago with a small group of plaintiffs, had gone through numerous filings, appeals, and discovery disputes, and had come to involve hundreds of potential witnesses and hundreds of thousands of exhibits as it headed toward trial. The difficulty and delays facing the plaintiffs' legal team in its efforts to access payroll data, only to discover some records missing or destroyed, added to the complexity of the case. But despite such setbacks, the class action team at FDAzar continued to pursue a fair resolution for its clients.

"We fought hard for many years to see justice done," said plaintiffs attorney Frank Azar. "It was one of the most complicated and time-consuming cases I have ever done. HP's computer system for paying its employees was mind-boggling. It's a tribute to the persistence of the attorneys involved, and to the determination of the hard-working class members, that we were able to see this resolved at last. I especially could not have done it without the fantastic cooperation and work of the Class Representative, Jeff Wall."

The case is Wall vs. Hewlett-Packard Company, Case No. 30-2012-00537897-CU-BT-CXC.





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