

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION**

HEWLETT-PACKARD COMPANY,

Plaintiff,

v.

BYD:SIGN, INC.; BYD:SINE, CO., LTD.,
a/k/a BYD:SIGN, CO. LTD., a/k/a BYD:SIGN
COMPANY JAPAN, LTD., a/k/a BYD:SIGN
WORLDWIDE; EYEFI DIGITAL TV, INC.;
IDAPT SYSTEMS, LLC; KATSUMI
ELECTRONICS CORPORATION;
J. BRIAN DENNISON; KARL KAMB, JR.;
KATSUMI IIZUKA; MARC McEACHERN;
WILLIAM TAFFEL; DAVID THORSON;
POOJITHA PREENA,

Defendants,

and

Civil Action No. 6:05cv-456

KARL KAMB,

ECF

Defendant/Counterplaintiff

Judge: Schneider

v

HEWLETT PACKARD COMPANY,

Counterdefendant/Plaintiff,

and

KEVIN HUNSAKER, PATRICIA DUNN, ANN
BASKINS, ANTHONY GENTILUCCI,
SECURITY OUTSOURCING SOLUTIONS,
INC. AND RONALD DELIA,

Counterdefendants.

DEFENDANT KARL KAMB'S COUNTERCLAIM

COMES NOW, Defendant and Counterplaintiff Karl Kamb, Jr. ("Kamb"), and files this Counterclaim, joining as Counterdefendants Kevin Hunsaker, Patricia Dunn, Ann Baskins, Anthony Gentilucci, Security Outsourcing Solutions, Inc., and Ronald Delia, and would respectfully show the Court as follows:

PARTIES

1. Counterclaimant Kamb is a resident of the State of Nevada.
2. Counterdefendant Hewlett-Packard Company ("HP") is a corporation incorporated under the laws of the State of Delaware having its principal place of business in Palo Alto, California.
3. On information and belief, Counterdefendant Patricia Dunn ("Dunn") is a resident of the State of California.
4. On information and belief, Counterdefendant Kevin T. Hunsaker ("Hunsaker") is a resident of the State of California.
5. On information and belief, Counterdefendant Anthony Gentilucci ("Gentilucci") is a resident of the State of Massachusetts.
6. On information and belief, Counterdefendant Ronald Delia ("Delia") is a resident of the State of Massachusetts.
7. On information and belief, Counterdefendant Ann Baskins ("Baskins") is a resident of the State of California.
8. On information and belief, Counterdefendant Securities Outsourcing Solutions, Inc. ("SOS") is a corporation incorporated under the laws of the State of Massachusetts having its principal place of business in Massachusetts.

JURISDICTION, VENUE, AND GOVERNING LAW

9. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1331 because this action arises under the laws of the United States. In addition, this Court has supplemental jurisdiction pursuant to 28 U.S.C. § 1367. Venue is proper under 28 U.S.C. § 1965(a)-(b), pursuant to RICO's nationwide service of process provision.

10. Unless otherwise indicated, Nevada law applies to the causes of action asserted herein.

INTRODUCTION

11. In its lawsuit against the Defendants, HP claims that Kamb and others engaged in acts which were disloyal, unethical, and unfair. Unabashedly touting its own business ethics, HP contends that its standards of business conduct are "among the most exacting standards in the industry," and that HP expects each of its employees to exhibit "loyalty" and "a personal commitment" to the company. HP, however, does not adhere to its own rules.

12. For the past several months, HP has been embroiled in a scandal concerning its own ethical misdeeds. Headlines across the country have reported that HP engaged in improper attempts to obtain the telephone records of its own board members, its own employees, and members of the media (a practice known as "pretexting"). On December 7, 2006, the Superior Court of the State of California entered a Final Judgment and Permanent Injunction, which, among other things, imposes monetary penalties to redress any harm that may have resulted from HP's investigative tactics, and it requires HP to undertake efforts to reform its corporate governance. Certain of the individuals involved in the pretexting scandal have been indicted by the State of California.

13. Karl Kamb is a victim of HP's use of pretexting. Accordingly, Kamb brings this action to redress HP's attempts to obtain his personal information through fraud and false pretenses. By using Kamb's social security number and other personal information, HP, along with other co-conspirators, contacted the T-Mobile and Sprint telephone companies, and falsely represented themselves as Kamb in order to obtain his private telephone records.

14. Upon information and belief, HP sought to obtain Kamb's private telephone records because HP believed that Kamb had profited (and was diverting funds) from monies that HP had in fact paid to an entity in exchange for confidential information about a major competitor. Because of its own misguided intelligence efforts, HP erroneously assumed that Kamb misappropriated those funds. As a result, HP engaged in illegal acts to obtain Kamb's private information, it converted his personal property, and it terminated Kamb's employment without payment of his promised severance benefits.

GENERAL ALLEGATIONS

15. In or around August of 1993, Kamb relocated from California to Fort Worth, Texas where he started working for Compaq Computer Corp. ("Compaq") as a consumer sales account manager.

16. In June of 2000, Compaq promoted Kamb to the position of vice president of business development and strategy. The promotion required Kamb to permanently relocate from Fort Worth, Texas to Tokyo, Japan. As the vice president of business development and strategy, Kamb was involved in researching and internally advocating new technologies. Among other things, Kamb's responsibilities required that he develop relationships and strategic opportunities with computer industry experts.

17. In or around October or November of 2001, Kamb met Katsumi Iizuka ("Iizuka"), the former President and founder of Dell Japan, who was considered to be an expert in the computer industry.

18. In approximately April of 2002, HP merged with and absorbed Compaq. Kamb's job title with HP, however, remained the same.

19. In 2002, HP became concerned about Dell Computer Company's ("Dell") entry into the printer business, which is one of HP's primary and most lucrative areas of business. Because of its concerns, HP was interested in obtaining information regarding Dell's products, business strategies and models, cost structure, product development, manufacturing, and marketing, among other things. *See* HP's Dell Competitive Intelligence Investigation RFP,

attached hereto as *Exhibit A*. Accordingly, personnel within HP's Imaging and Printing Group's ("IPG") Competitive Intelligence Team instructed Kamb to make contact with individuals who had knowledge regarding Dell's plans to enter the printer market in order to gather information regarding Dell's plans. One of the individuals contacted was Iizuka.

20. In exchange for obtaining information about Dell's plans, IPG offered Iizuka a monthly stipend to act as a "competitive analyst" for HP. Iizuka refused to accept remuneration for the information he provided to HP, and instead requested that any monies be paid to a company called Dinner, Inc. ("Dinner"). Payments were to be processed by a third party data "consolidator" who would act both as a payment facilitator and as a collector and translator of secret information. Upon information and belief, those payments were approved by senior HP management. In an effort to conceal HP's clandestine activities, code names were assigned to the Dell data collection project. *See* November 6, 2002 email, attached hereto as *Exhibit B*.

21. On or around October 23, 2002, Kamb sent HP's Dell Competitive Intelligence Investigation RFP to Iizuka. *See* October 23, 2002 email, attached hereto as *Exhibit C*. Iizuka then obtained information regarding Dell's anticipated launch of its printer business, including detailed product configurations and specifications, target costs and pricing estimates, and proposed manufacturers and suppliers. Iizuka provided all of that information to Kamb, which Kamb in turn delivered to HP. Upon information and belief, HP used the information obtained by Iizuka to prepare and plan for Dell's entry into the printer market, and to execute defensive pricing and product strategies. *See* Brian Bonazzoli's February 20, 2003 email, attached hereto as *Exhibit D*. Kamb did not directly or indirectly receive any "kick backs" or other compensation from payments HP made to Dinner in exchange for the information. Moreover, Kamb did not divert any of HP's payments for purposes of establishing a business that would compete with HP, or for any other purpose.

22. After one of HP's largest competitors was no longer seen as a major threat to its core business, and after HP had decided to downsize its work force as part of its Work Force Reduction Program, Kamb was asked to move back to the United States and await a promised

lucrative severance package. Before repatriating to the United States, Kamb was informed by his supervisor, Vikki Pachera, that he would receive a severance package. Pachera also warned Kamb to be very careful because HP “was looking for ways” to avoid paying people their severance packages.

23. During Kamb’s tenure in Japan, pursuant to certain expatriate agreements between HP and Kamb, HP collected withholding from Kamb in an amount equal to the estimated taxes that he would have owed had he remained in the United States. In turn, pursuant to those agreements, HP was responsible for paying Kamb’s entire tax liability, which was higher because HP covered the incremental cost of living outside the United States. HP, however, failed to do so.

24. Upon information and belief, due to the highly covert nature of the Dell data collection project, certain persons within HP erroneously assumed that Kamb had misappropriated funds that were intended for Dinner. HP also erroneously believed that Kamb was using those funds to form a competing company. As a result, HP engaged in clandestine acts to obtain Kamb’s private telephone records through false pretenses in order to confirm its suspicions.

25. On or about August 25, 2005, an HP employee or agent posed as a T-Mobile employee and telephoned Kamb to request that he provide his personal identification number (“PIN”) for his T-Mobile account. Kamb, however, refused to disclose his PIN and subsequently contacted T-Mobile’s security center who informed him that the individual who had called him was not an employee of T-Mobile.

26. On or about August 25 and August 30, 2005, an HP employee or agent, posing as Kamb, telephoned T-Mobile for purposes of obtaining access to Kamb’s T-Mobile telephone records. Through Kamb’s personnel employee file, HP obtained access to Kamb’s confidential social security number and billing address, and used that information to obtain Kamb’s personal telephone records.

27. Moreover, on or about August 25, 2005, an HP employee or agent, again posing as Kamb, contacted the Sprint telephone company and attempted to gain access to Kamb's private telephone records using his confidential social security number.

28. On August 26, 2005, HP sent two of its investigators to Kamb's residence in Las Vegas, and the investigators interrogated Kamb regarding his relationship with Iizuka. During the interrogation, the investigators seized Kamb's personal laptop computer.

29. On August 31, 2005, Kamb's counsel sent a letter to Kevin Hunsaker ("Hunsaker"), HP's then senior counsel and Director of Ethics, requesting that HP refrain from engaging in covert and illegal acts in an attempt to obtain Kamb's private T-Mobile and Sprint telephone records. *See* Atty. Bryce K. Kunimoto's August 31, 2005 letter to Hunsaker, attached hereto as *Exhibit E*.

30. Hunsaker responded on September 1, 2005, and denied that HP was involved in any of the alleged activities. As part of the response, Hunsaker purported to speculate that the attempts to access Kamb's phone records were likely perpetrated in connection with his pending divorce proceeding in Texas. *See* Hunsaker's September 1, 2005 letter, attached hereto as *Exhibit F*.

31. Purportedly as a result of its investigation, HP terminated Kamb and improperly denied his severance package. Moreover, upon Kamb's termination, HP violated the terms of its expatriate agreements with Kamb by failing to pay his tax liabilities. At no time, however, did Kamb ever misappropriate or misuse HP monies.

32. The above-described "pretexting" activities were widespread and part of a pattern and practice at HP. On September 12, 2006, Patricia Dunn, HP's Chairman of the Board, acknowledged that "[t]hese techniques were practiced on a number of individuals including certain directors, two employees and a number of individuals outside the company including journalists." Moreover, Dunn testified that HP's pretexting activities were part of a "standard arsenal" of techniques that HP used in company investigations.

33. Despite Hunsaker's initial denial that HP used pretexting in connection with HP's investigation of Kamb, he subsequently acknowledged that HP did, in fact, engage in pretexting against Kamb. Specifically, in a memorandum dated August 25, 2006, HP's attorneys state that Hunsaker "first learned that HP had used pretexting . . . in July 2005," in connection with the investigation of a person who was "going through a messy divorce." The memorandum goes on to discuss the above-described correspondence between Hunsaker and Kamb's attorney. *See* Memorandum dated August 25, 2006, attached hereto as ***Exhibit G***.

34. On September 22, 2006, Hunsaker was relieved of his duties at HP as a result of his involvement in, and supervision of, an investigation which utilized pretexting activities on behalf of HP.

35. On December 7, 2006, the Superior Court of the State of California entered a Final Judgment and Permanent Injunction against HP. The Judgment imposes monetary and other penalties against HP due to its use of pretexting as an investigative tactic. *See* Final Judgment and Permanent Injunction dated December 7, 2006, attached hereto as ***Exhibit H***.

FIRST CLAIM FOR RELIEF
(BREACH OF CONTRACT)

36. Kamb repeats and realleges each and every allegation contained in Paragraphs 1 through 35 as if fully set forth herein.

37. According to HP, Kamb entered into a valid and enforceable written contract, namely the Standards of Business Conduct, with HP.

38. Kamb substantially complied with his obligations pursuant to the contract.

39. HP has breached the terms and conditions of the contract by engaging in "pretexting activities" and by denying Kamb's severance package.

40. In addition, Kamb entered into valid and enforceable written contracts, namely the expatriate agreements, with HP.

41. Kamb substantially complied with his obligations pursuant to the expatriate agreements.

42. HP has breached the terms and conditions of the expatriate agreements by failing to pay Kamb's tax liability, and by causing Kamb to incur accrued interest and penalties.

43. As a direct and proximate result of HP breaching its contracts, Kamb has suffered substantial damages based on the same, including but not limited to the loss of his severance package, the expenses of defending the litigation initiated by HP, tax liabilities, interest and penalties, and other consequential damages.

44. Because of HP's breach of its agreements, Kamb has been required to retain counsel to prosecute his claims. Kamb is entitled to recover his reasonable and/or necessary attorneys' fees and costs incurred in the prosecution of this lawsuit.

SECOND CLAIM FOR RELIEF
(BREACH OF THE IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING)

45. Kamb repeats and realleges each and every allegation contained in Paragraphs 1 through 35 as if fully set forth herein.

46. There is in every contract an implied covenant of good faith and fair dealing.

47. HP breached the implied covenant of good faith and fair dealing by, among other things, deliberately contravening the spirit and purpose of the Standards of Business Conduct agreement by engaging in illegal and surreptitious activities for purposes of obtaining Kamb's private telephone records and by "looking" for ways to deny Kamb's severance package.

48. Due to HP's breach of the implied covenant of good faith and fair dealing, Kamb has suffered damages including but not limited to the loss of his severance package, the expenses of defending the litigation initiated by HP, and other consequential damages.

49. Kamb's justified expectations were denied and he is entitled to damages based on the same.

THIRD CLAIM FOR RELIEF
(CIVIL CONSPIRACY)

50. Kamb repeats and realleges each and every allegation contained in Paragraphs 1 through 35 as if fully set forth herein.

51. HP, together with Dunn, Hunsaker, Baskins, Delia, Gentilucci and SOS (“Conspiring Defendants”), entered into a conspiracy to commit and facilitate the wrongful conduct described herein.

52. This conspiracy manifested itself in many aspects including, but not limited to, the illegal act of “pretexting,” whereby one misrepresents his or her identity to convince telecommunications companies to provide confidential information about another’s private telephone records.

53. The Conspiring Defendants, together and with non-party co-conspirators, reached a meeting of the minds on the foregoing objectives and course of action, and in connection therewith, committed one or more unlawful acts.

54. The Conspiring Defendants, together with their non-party co-conspirators, committed the acts described above with knowledge or intent to injure Kamb or with reckless or negligent disregard for Kamb’s rights and well-being.

55. The conspiracy described above, and the acts committed in the course of that combination, proximately injured Kamb, for which Kamb seeks to recover compensatory, consequential and punitive damages.

FOURTH CLAIM FOR RELIEF
**(INVASION OF PRIVACY – UNREASONABLE INTRUSION
UPON SECLUSION OF ANOTHER)**

56. Kamb repeats and realleges each and every allegation contained in Paragraphs 1 through 35 as if fully set forth herein.

57. Kamb had an actual expectation that his private telephone records would remain confidential, and such expectation was objectively reasonable.

58. The Conspiring Defendants intentionally intruded upon the seclusion of Kamb by impersonating him by, among other things, using his social security number for purposes of obtaining his confidential private telephone records.

59. The Conspiring Defendants’ acts of intrusion would be highly offensive to a reasonable person.

60. The activities committed by the Conspiring Defendants proximately injured Kamb, for which Kamb seeks to recover compensatory, consequential and punitive damages.

FIFTH CLAIM FOR RELIEF
(TORTIOUS DISCHARGE – PUBLIC POLICY)

61. Kamb repeats and realleges each and every allegation contained in Paragraphs 1 through 35 as if fully set forth herein.

62. HP improperly dismissed Kamb for reasons that violate public policy.

63. Using Kamb's social security number contained in his personnel file, HP secretly impersonated Kamb, without his consent, and contacted telephone companies to obtain his private and confidential telephone records.

64. HP's actions violate public policy.

65. HP used the illegally obtained private telephone records as an improper basis to terminate Kamb.

66. The activities committed by HP proximately injured Kamb, for which Kamb seeks to recover compensatory, consequential and punitive damages.

SIXTH CLAIM FOR RELIEF
(IDENTITY THEFT – NEVADA REVISED STATUTE 41.1345)

67. Kamb repeats and realleges each and every allegation contained in Paragraphs 1 through 35 as if fully set forth herein.

68. The Conspiring Defendants used Kamb's name and social security number, and pretended to be Kamb when they requested and obtained Kamb's private telephone records from companies with whom Kamb had an account.

69. The Conspiring Defendants were successful in obtaining Kamb's private telephone records for purposes of harming Kamb and/or using the same to obtain Kamb's private, valuable information

70. As a proximate result of the Conspiring Defendants' obtaining Kamb's private telephone records, Kamb suffered damages.

71. The acts described above proximately injured Kamb, for which Kamb seeks to recover his attorney's fees, costs, actual damages and punitive damages.

SEVENTH CLAIM FOR RELIEF
**(VIOLATIONS OF THE RACKETEER INFLUENCED AND
CORRUPT ORGANIZATIONS ("RICO") ACT)**

72. Kamb repeats and realleges each and every allegation contained in Paragraphs 1 through 35 as if fully set forth herein.

73. HP, Dunn, Baskins, Hunsaker, Gentilucci, Delia and SOS (the "RICO Defendants"), and/or one or more as yet to be identified persons, engaged in a continuous pattern of racketeering predicated on violations that include, but are not limited to, 18 U.S.C. § 1343 (wire fraud). The RICO Defendants' discrete acts of racketeering activity constitute a pattern of racketeering activity in that they have the same or similar purposes, results, participants, victims or methods of commission. In fact, on September 28, 2006, Dunn testified before Congress that "the fraudulent misrepresentations of identity. . . was part of a standard arsenal" of HP techniques used in company investigations.

74. Specifically, since August 2005, the RICO Defendants regularly used the wires and other electronic means to conduct, further, and carry out their scheme to obtain Kamb's private telephone records. Specifically, the RICO Defendants knowingly participated in a scheme to obtain Kamb's personal information through fraud and false pretenses. By using Kamb's social security number obtained from his personnel records, the RICO Defendants contacted T-Mobile and Sprint, and falsely represented themselves as Kamb, via interstate wire communications, in order to obtain his private telephone records. Through the RICO Defendants' pretexting activities, they intended that some harm to Kamb result from this fraud.

75. Specifically, on or about August 25, 2005, the RICO Defendants posed as T-Mobile employees and telephoned Kamb to request that he provide his personal identification number ("PIN"). Kamb, however, refused to disclose his PIN and subsequently contacted T-Mobile's security center. The security center informed Kamb that such individuals were not employees of T-Mobile.

76. On or about August 25 and August 30, 2005, the RICO Defendants, posing as Kamb, telephoned T-Mobile for purposes of obtaining access to his T-Mobile telephone records. Through Kamb's personnel file, the RICO Defendants obtained access to Kamb's confidential social security number and billing address, and requested that T-Mobile provide Kamb's call history for the past several months. Although T-Mobile requested Kamb's caller identification screen name located on his telephone, the RICO Defendants stated that they could not do so because the screen on the telephone had been "cracked." However, because the RICO Defendants were able to provide the correct billing name, billing address and social security number, and because they represented themselves as Kamb, T-Mobile released Kamb's private telephone records to the RICO Defendants.

77. Moreover, on or about August 25, 2005, the RICO Defendants, again posing as Kamb, telephoned Sprint and attempted to gain access to his private telephone records using his confidential social security number. Kamb subsequently became aware of that security breach after a Sprint representative later contacted him to inquire about the quality of the customer service that was provided to him on August 25, 2005.

78. On September 12, 2006, Patricia Dunn, HP's Chairman of the Board acknowledged that "[t]hese techniques were practiced on a number of individuals including certain directors, two employees and a number of individuals outside the company including journalists." HP's pretexting activities are part of HP's regular way of doing business. Moreover, on September 28, 2006, Dunn testified before the United States House of Representatives' Energy Committee that the pretexting activities could not have occurred without the approval of Mark Hurd, HP's Chief Executive Officer. Accordingly, so long as Hurd remains as the Chief Executive Officer of HP, there will remain the threat that HP will continue to engage in these criminal activities.

79. The RICO Defendants implemented a scheme and possessed a specific intent to defraud Kamb, and they used the telephone system and wires in furtherance of the scheme.

Additionally, each of the RICO Defendants conspired and agreed to commit some or all of the alleged acts.

80. The pattern of racketeering activity was directly connected with the RICO Defendants' establishment, formation, and control of an association-in-fact (the "Pretexting Enterprise") which was responsible for implementing and carrying-out pretexting activities that affected interstate and foreign commerce. The Pretexting Enterprise is an ongoing organization and was established, formed and controlled to engage in covert intelligence gathering efforts, and it has an existence separate and apart from the pattern of its racketeering activities. Moreover, the Pretexting Enterprise functions as a continuing unit with a hierarchical or consensual decision-making structure whereby HP makes the strategic decisions as to which individuals should be the victims of their pretexting activities.

81. Each of the RICO Defendants have (b) acquired and maintained an interest in the enterprise through the pattern of racketeering activity, (c) conducted the affairs of the enterprise through the pattern of racketeering activity, and/or (d) conspired to commit such acts.

82. The RICO Defendants, HP, Dunn, Gentilucci, Delia, Baskins and Hunsaker, are all engaged in interstate and/or foreign commerce, and their acts have affected interstate and foreign commerce.

83. The RICO Defendants' actions constitute violations of 18 U.S.C. § 1963, and give rise to civil liability under 18 U.S.C. § 1964.

84. Kamb's property has been injured by reason of the RICO Defendants' violations of 18 U.S.C. § 1962 and/or the predicate acts, and such conduct warrants an award of actual damages, and treble damages and costs, including reasonable attorney's fees.

EIGHTH CLAIM FOR RELIEF
(RACKETEERING – Nevada Revised Statute 207.350, et seq.)

85. Kamb repeats and realleges each and every allegation contained in Paragraphs 1 through 35 as if fully set forth herein.

86. The RICO Defendants engaged in at least two crimes related to racketeering that have the same or similar pattern, intent, result, accomplices, victim or method of commission.

87. Since August of 2005, the RICO Defendants (HP, Dunn, Hunsaker, Delia, SOS, Baskins and Gentilucci) used the telephone wires and other electronic means to conduct, further, and carry out their scheme to obtain Kamb's private telephone records. Specifically, the RICO Defendants were involved in a scheme to obtain Kamb's personal information through fraud and false pretenses. By using Kamb's social security number obtained from his personnel records, the RICO Defendants contacted T-Mobile and Sprint, and falsely represented themselves as Kamb in order to obtain his private telephone records.

88. Specifically, on or about August 25, 2005, the RICO Defendants posed as T-Mobile employees and telephoned Kamb to request that he provide his personal identification number ("PIN"). Kamb, however, refused to disclose his PIN and subsequently contacted T-Mobile's security center. The security center informed him that such individuals were not employees of T-Mobile.

89. On or about August 25 and August 30, 2005, the RICO Defendants, again posing as Kamb, telephoned T-Mobile for purposes of obtaining access to Kamb's T-Mobile telephone records. Through Kamb's personnel file, the RICO Defendants obtained access to Kamb's confidential social security number and billing address, and requested that T-Mobile provide Kamb's call history for the past several months. Although T-Mobile requested that the caller provide Kamb's caller identification screen name located on his telephone, the RICO Defendants stated that they could not do so because the screen on the telephone had been "cracked." However, because the RICO Defendants were able to provide the correct billing name, billing address and social security number, and because they represented themselves as Kamb, T-Mobile released Kamb's private telephone records to the RICO Defendants.

90. Moreover, on or about August 25, 2005, the RICO Defendants, again posing as Kamb, telephoned Sprint and attempted to obtain access to Kamb's private telephone records using his confidential social security number. Kamb subsequently became aware of that security

breach after a Sprint representative later contacted him to inquire about the quality of the customer service that was provided to him on August 25, 2005.

91. Under Nevada Revised Statute 207.360(9), the RICO Defendants took property from another under circumstances not amounting to robbery.

92. On September 12, 2006, Patricia Dunn, HP's Chairman of the Board acknowledged that "[t]hese techniques were practiced on a number of individuals including certain directors, two employees and a number of individuals outside the company including journalists."

93. The RICO Defendants implemented a scheme and possessed a specific intent to defraud Kamb, and they took his property in furtherance of that scheme. Additionally, each of the RICO Defendants conspired and agreed to commit some or all of the alleged acts.

94. The pattern of racketeering activity was directly connected with the RICO Defendants' establishment, formation and control of an association-in-fact (the "Pretexting Enterprise"), which was responsible for implementing and carrying-out pretexting activities that affected interstate and foreign commerce. The Pretexting Enterprise is an ongoing organization and was established, formed, and controlled to engage in covert intelligence gathering efforts, and it has an existence separate and apart from the pattern of its racketeering activities. Moreover, this Pretexting Enterprise functions as a continuing unit with a hierarchical or consensual decision-making structure, whereby HP makes the strategic decisions as to which individuals should be the victims of their pretexting activities.

95. Each of the RICO Defendants, under Nevada Revised Statutes 207.400, have (b) acquired and maintained an interest or control in the enterprise through racketeering activity, (c) conducted the affairs of the enterprise through racketeering activity; and/or (h) conspired to commit such acts.

96. Kamb's property has been injured by reason of the RICO Defendants' violations of Nevada Revised Statutes 207.350, et seq. and/or the predicate acts, and such conduct warrants an award of actual damages, treble damages, and costs, including reasonable attorney's fees.

NINTH CLAIM FOR RELIEF
(CONVERSION)

97. Kamb repeats and realleges each and every allegation contained in Paragraphs 1 through 35 as if fully set forth herein.

98. HP wrongfully exerted an act of dominion and control over Kamb's personal laptop computer which was seized by HP on or about August 26, 2005.

99. The act was in denial of, or inconsistent with, Kamb's title or rights therein.

100. As a result of HP's acts, Kamb has incurred damages.

TENTH CLAIM FOR RELIEF
(VIOLATION OF THE COMPUTER FRAUD AND ABUSE ACT)

101. Kamb repeats and realleges each and every allegation contained in Paragraphs 1 through 35 as if fully set forth herein.

102. Defendant HP and Hunsaker (the "CFAA Defendants") each committed violations of 18 U.S.C. §§ 1030(a)(2)(C), 1030(a)(4), 1030(a)(6) and 1030(g).

103. Kamb's private laptop computer is a "protected computer" as defined by 18 U.S.C. § 1030(e)(2)(B) because it is used in interstate or foreign commerce or communication.

104. On August 26, 2005, HP seized Kamb's personal laptop computer from his residence in Las Vegas.

105. On August 30 and 31, 2005, Kamb's counsel requested that Kamb's personal laptop computer be returned to him no later than September 1, 2005. Kamb's counsel also informed HP that Kamb would not allow HP to perform any inspection or analysis of his laptop computer.

106. By intentionally accessing Kamb's personal laptop computer without authorization, or by exceeding authorized access, HP and Hunsaker obtained information from Kamb's protected computer.

107. HP also accessed Kamb's protected computer without authorization, or exceeded authorized access, with the intent to defraud Kamb and/or to further the intended fraud to obtain access to Kamb's private and confidential telephone records.

108. Moreover, the CFAA Defendants knowingly and with intent to defraud used Kamb's passwords or similar information by accessing Kamb's private telephone records through T-Mobile and Sprint without authorization. HP's trafficking activities affected interstate and/or foreign commerce because HP's pretexting activities involved a fraudulent scheme to access information from companies located across state lines.

109. HP's fraudulent scheme has harmed Kamb in excess of \$5,000.

110. As a result of the CFAA Defendants' violations, Kamb seeks all compensatory damages, injunctive relief, and equitable relief to which he is entitled.

ELEVENTH CLAIM FOR RELIEF
(INTENTIONAL INFLICTION OF EMOTIONAL DISTRESS)

111. Kamb repeats and realleges each and every allegation contained in Paragraphs 1 through 35 as if fully set forth herein.

112. The Conspiring Defendants' conduct was extreme or outrageous with either the intention of, or reckless disregard for, causing emotional distress to Kamb.

113. Kamb suffered severe or extreme emotional distress as the actual and proximate result of the Conspiring Defendants' conduct.

114. Due to the Conspiring Defendants' egregious behavior which proximately caused Kamb severe emotional distress, Kamb seeks to recover compensatory, consequential, and punitive damages.

TWELFTH CLAIM FOR RELIEF
(DECEPTIVE TRADE PRACTICES – Nevada Revised Statutes 598.0916, et al.)

115. Kamb repeats and realleges each and every allegation contained in Paragraphs 1 through 35 as if fully set forth herein.

116. The Conspiring Defendants engaged in deceptive trade practices in the course of HP's business by knowingly making false representations to T-Mobile and Sprint in an attempt to obtain Kamb's private telephone records.

117. As a result of the Conspiring Defendants' deceptive trade practices, Kamb sustained damages and is entitled to relief under NRS 598.0993.

THIRTEENTH CLAIM FOR RELIEF
(UNLAWFUL ACTS REGARDING COMPUTERS AND INFORMATION SYSTEMS –
Nevada Revised Statutes 205.4765, et al.)

118. Kamb repeats and realleges each and every allegation contained in Paragraphs 1 through 35 as if fully set forth herein.

119. The Conspiring Defendants knowingly, willfully, and without authorization obtained or attempted to obtain access, permitted access to, or caused to be accessed data, a program, or any supporting documents which exist inside or outside a computer system or network. Specifically, the Conspiring Defendants obtained or attempted to obtain access to Kamb's private T-Mobile and Sprint telephone records by pretexting him using false pretenses.

120. As a result of the Conspiring Defendants' actions, Kamb has been damaged and seeks actual damages, punitive damages, and costs and reasonable attorney's fees in having to bring this action, pursuant to Nevada Revised Statute 205.511.

FOURTEENTH CLAIM FOR RELIEF
(UNLAWFUL ACTS REGARDING COMPUTERS AND INFORMATION SYSTEMS –
Nevada Revised Statutes 205.477, et al.)

121. Kamb repeats and realleges each and every allegation contained in Paragraphs 1 through 35 as if fully set forth herein.

122. The Conspiring Defendants knowingly, willfully, and without authorization used, caused the use of, accessed, attempted to gain access to, or caused access to be gained to a computer, system, network, telecommunication device, telecommunication service, or information service for purposes of obtaining Kamb's private and confidential T-Mobile and Sprint telephone records by pretexting him using false pretenses.

123. The Conspiring Defendants further violated Nevada Revised Statute 205.477(3) by committing to devise, or executing a scheme to defraud or illegally obtain property, or caused loss or injury in excess of \$500.

124. As a result of the Conspiring Defendants' actions, Kamb has been damaged, and he seeks actual damages, punitive damages, as well as costs and reasonable attorney's fees for having to bring this action, pursuant to Nevada Revised Statute 205.511.

PRAYER FOR RELIEF

WHEREFORE, PREMISES CONSIDERED, Kamb respectfully requests that the Defendants be cited to appear and answer, and that upon final trial, the Court find judgment for Kamb and against each of the Defendants for actual damages, consequential damages, exemplary damages, multiple damages, pre- and post-judgment interest, costs, attorneys' fees, and all such other and further relief, at law or in equity, to which Kamb May show himself justly entitled.

Respectfully submitted,

JACKSON WALKER L.L.P.
901 Main Street, Suite 6000
Dallas, Texas 75202-3797
(214) 953-6000
(214) 953-5822 (Facsimile)

By: /s/ William D. Ellerman
Mark T. Josephs
State Bar No. 11031400
Carl C. Butzer
State Bar No. 03545900
William D. Ellerman
State Bar No. 24007151

J. Stephen Peek, Esq.
Elissa F. Cadish, Esq.
Bryce K. Kunimoto, Esq.
HALE LANE PEEK DENNISON AND HOWARD
3930 Howard Hughes Parkway, Fourth Floor
Las Vegas, NV 89169
Telephone: (702) 222-2500
Facsimile: (702) 365-6940

ATTORNEYS FOR DEFENDANT KARL KAMB,
JR.

CERTIFICATE OF SERVICE

This is to certify that on this 19th day January, 2007, a true and correct copy of KARL KAMB'S COUNTERCLAIM was served on all counsel of record who are deemed to have consented to electronic service via the Court's CM/ECF system per Local Rule CV-5(a)(3).

Attorneys for Plaintiffs:

Kelly Dean Hine
Stephen Edward Fox
Thomas M. Melsheimer
Fish & Richardson
5000 Bank One Center
1717 Main Street
Dallas, TX 75201

Attorneys for Defendant Poojitha Preena:

David T. Alexander, Esq.
McDermott Will & Emery LLP
3150 Porter Drive
Palo Alto, CA 94304

Attorney for Defendants byD:sign Inc. and J. Brian Dennison:

William D. Coston
Venable LLP
575 7th Street, NW
Washington, DC 20004-1601

/s/ William D. Ellerman _____
William D. Ellerman

EXHIBIT A

475 B:11(10) 80% 12/11 11/11
 475/275 15/12 2-2 3/12
 - - 40% PC
 80% 3 15/12 2-2 -

Dell Competitive Intelligence Investigation RFP

Overview:

This is a request for a proposal for competitive intelligence on Dell's branded printer strategy, phase 1 (the Lexmark OEM agreement) and phase 2 (Lexmark is rumored to be a short term arrangement).

The relevant product categories are ink and laser printers and ink and laser supplies.

The areas of interest include:

Business strategy, business model (system based, margins for hardware and supplies)
 Cost structure, product development, manufacturing, R&D, marketing, for both ink and laser, hardware and supplies.

- Dell's product roadmap for FY03-FY04:
 - o Include features and price points.
 - o Product introduction dates and launch plans.
 - o Product roadmap to include ink and lasers. Does Dell plan to introduce hp compatible supplies (toner or ink)?
 - o What about enabling a remanufacture/refill business? If so, what are the key skus, price-points and timing?

- Dell/Lexmark printer manufacturing strategy including cost structure:
 - o Map-out inkjet suppliers (printer and ink cartridges) including remanufactured/refill and hp compatibles
 - o Map-out laser suppliers (printer and toner cartridges), including remanufactured/refills and hp compatibles
 - o Link products to suppliers and cost structure information
 - Han Hai: how do they fit into the Dell printer plan?
 - Funai: What will Funai be supplying? They are currently a strong supplier for Lexmark; will they be a supplier of the Dell printers? If Han Hai is a Dell printer supplier, why didn't Funai get that business?
 - Samsung: How do they fit into the game?
 - o Other suppliers: Either future suppliers, suppliers of consumables, or current Lexmark suppliers not mentioned that will either be a part of the Dell printer strategy or not. And if not, why not?
 - o Assuming Dell lowers prices: will it be through decreased margins or a lower cost structure? How will they achieve the lower costs?

Group
 AUT HP3K -
 1:20-1:40
 HP 3K

- Dell/Lexmark R&D product development strategy:
 - o Specifics on Dell's internal printer organization and longer term vision for the printer group. Dell appears to be ramping a printer development team. Will Dell be investing in printer development internally? If so, what is the long term plan? Targeted R&D investments? IP plan, acquisition or cross licensing, whom?

Dell Austin Sugawara, David Frager, David Lunsford,
 Taipei Tokyo KC
 - Japan Entry, com
 - Line Media

11月

Intermatch Japan

Dell Competitive Intelligence Investigation RFP, page 2

- Dell's go to market plan:
 - Assume NA, SMB, verification and details. Marketing/communication plans. Head to head competitive advertising (hp versus Dell?) Plans and timelines for other regions?
 - What are their consumer, SMB and enterprise strategies

- Dell/Lexmark agreement:
 - Terms (length of time, financials, long term intent, ...)
 - Assume Lexmark is concerned that Dell could walk away after contract ends and develop their own printers. What did Lexmark build into the agreement to minimize this risk?

- Dell Printer Strategy Phase 2:
 - What is Dell's phase-two strategy?
 - Who are the different players for each of the solution components
 - Focus on the front runner players, identify if there are players like Epson/Lexmark where there are two strong frontrunners jockeying for the business.
 - Track and update as new intelligence comes in

Project Timeline and Deliverables

- | | |
|----------------|--|
| <u>Phase 1</u> | Intelligence collection - 3 weeks <ul style="list-style-type: none">◦ Complete draft intelligence report◦ Identify gaps and plan to address information needs◦ Review draft and plan with hp |
| <u>Phase 2</u> | Complete intelligence gathering - 3 weeks <ul style="list-style-type: none">◦ Collect intelligence◦ Distribute intelligence summaries to hp |
| <u>Phase 3</u> | Produce final deliverables - 2 weeks <ul style="list-style-type: none">◦ Develop final competitive intelligence document◦ Review document/findings with hp◦ Present final deliverables to hp |

EXHIBIT B

iizuka

送信者: "Kamb, Karl" <karl.kamb@hp.com>
宛先: "iizuka" <iizuka@cs.puon.net>
CC: "Berge, Barbara L" <barbara_berge@hp.com>; "Taffel, Bill" <bill.taffel@hp.com>
送信日時: 2002年11月6日 15:12
件名: IPG Update, CONFIDENTIAL (DO NOT FORWARD)

Terrie,

After talking this afternoon with Barbara Berge, here is a summary of where we're at. First, she wanted to thank you for the hard work to date, and encourage you to keep chiseling away on what is inevitably becoming a wide range of activities around this subject.

CODES:

First, let's get the most important issue out of the way; assigned code names going forward:

Dell: Everest
Funai: Kilimanjaro
Lexmark: Whitney
Hon Hai: Hood
Foxconn: St. Helens
IUT: Shasta
Samsung: Rainer
Xerox: Jefferson
Canon: Fuji-san
Sanyo: Rushmore

LincMedia: McKinley
iizuka-san: Kilauea

We'll use these here forward on all material, without exception to maintain absolute control and privacy.

QUESTIONS:

So here's the latest round of questions as we discussed yesterday:

What are Whitney's costs to manufacture HP compatible laser cartridges?

What do we know about their capacity today, and in the future?

We know that Whitney occasionally will use remanufactured HP supplies to access strategic accounts (Fortune 100s); sell in a Whitney install base, and guarantee a lower-cost service for legacy HP product. What are some strategies around this, particularly in light of their new phase 1 tie-up with Everest.

With regard to Whitney future direction, what are they doing in the convergence space, and copiers - who and how would they partner; what's their plans for color laser?

What is strategy around HP compatible printers and supplies, is it changing now with the Everest OEM deal?

Where does Whitney still have IP licenses in effect? Will they continue cross-licensing, or perhaps use "stolen" IP in non-protected markets (China, etc., much like IUT)

IUT #2

02/11/06

ARS quoted channel sources that Lexmark Dell branded laser printers will arrive by November. ARS: "channel sources indicate that Dell-exclusive Lexmark printers could be available within the next month--just in time for the holiday shopping season. It appears that Lexmark may make available exclusive versions of the Lexmark E320, E322, and E322N with a special midnight gray exterior to match the look and feel of other Dell PC products, such as the Dimension and OptiPlex SMB, Home, and Corporate desktop PCs."

This is in direct contrast to what we've heard from Kilimanjaro. We were told no earlier than April. We'd like to know if this is actually true so that we can prepare PR for Comdex.

IPG TRIP PLANNING:

Barbara and I agreed that the best time for her trip to Japan is the first week of December, namely the 4th through 7-8th. I hope this also works for you. At that time she wishes to meet you and discuss the future of this type of relationship in light of the developing importance of CI direct from the Japan/Asia OEM sector. We can also discuss at that time some of your work around Oki, etc.

Again, many thanks

Karl

Karl Kamb, Jr.
 VP, Business Development and Strategic Planning
 HP Office of Corporate Strategy & Technology
 Tennoz Central Tower
 2-2-24 Higashi-shinagawa
 Shinagawa-ku, Tokyo 140-8641

Phone: 81-3-5769-9430
 Fax: 81-3-5769-9435
 Mobile: 81-9080158820

e-mail: karl.kamb@hp.com
 mobile e-mail: karl.kamb@docomo.ne.jp

① What type of laser?
 ② From who?
 ③ What type of AIO?
 ④ Who?
 Single funct. ink

<u>Z605</u>	<u>Z705</u>	<u>P705</u>	<u>Z805</u>
\$49	\$79	Photo printer \$99	\$129
14/9 ppm	12/10	-	21/15 ppm
4800 dpi	-	-	archival inks
USB only	-	borderless photos	pigment-based
PA	SA	6 color USB only	borderless photos
		SA	SA 02/11/06

EXHIBIT C

iizuka

送信者: "Kamb, Karl" <karl.kamb@hp.com>
宛先: "iizuka" <iizuka@cs.puon.net>
CC: "Berge, Barbara L." <barbara_berge@hp.com>; "Taffel, Bill"
送信日時: 2002年10月23日 10:10
添付: Dell RFP 1.doc
件名: Dell CI RFP - CONFIDENTIAL, Do Not Forward

Iizuka-san,

Please find attached the final first-stage RFP from HP's IPG CI group regarding Dell, and specifically their printing and supplies strategies.

Copied on this e-mail is Barbara Berge from HP's corporate competitive intelligence team for the IPG group. She will be overseeing this project; I will be managing intelligence gathering efforts locally. Her plan is to come to Japan the week of the 11th to review your work to-date and evaluate your firm for on-going projects.

Your company will be required to sign an NDA with HP's IPG group. It will be forwarded to you shortly.

Many thanks for your assistance to-date with Dell, and we look forward to your research of the requested first stage project requirements. As information develops, please communicate regularly in addition to the consolidated requests of this study.

We'll discuss this further when we meet at your office later today.

Many thanks,

Karl Kamb

Karl Kamb, Jr.
VP, Business Development and Strategic Planning
HP Office of Corporate Strategy & Technology
Tennoz Central Tower
2-2-24 Higashi-shinagawa
Shinagawa-ku, Tokyo 140-8641

Phone: 81-3-5769-9430
Fax: 81-3-5769-9435
Mobile: 81-9080158820

e-mail: karl.kamb@hp.com
mobile e-mail: karl.kamb@docomo.ne.jp

02/10/23

6

EXHIBIT D

information

Subject: information

From: "Takae Ueda" <takae-ueda@imaginethat-jp.com>

Date: Sat, 27 Aug 2005 19:59:16 +0900

To: <kamb@idapt.tv>

> -----Original Message-----

> From: FENNELLY,PAUL (HP-Greeley,ex1)

> Sent: Thursday, February 20, 2003 3:57 PM

> To: BERGE,BARBARA (HP-Vancouver,ex1); GRUBE,ALAN (HP-Vancouver,ex1);

> KAMB,KARL (HP-Dallas)

> Subject: FW: Dell Phase 1 Printers - Detailed C.I.

> Importance: High

>

>

>

> -----Original Message-----

> From: Bonazzoli, Brian [<mailto:brian.bonazzoli@hp.com>]

> Sent: Thursday, February 20, 2003 3:31 PM

> To: Fennelly, Paul

> Subject: Dell Phase 1 Printers - Detailed C.I.

> Importance: High

>

> Hi Paul,

>

> Per my voicemail, below is a summary of our competitive intelligence on

> Dell's forthcoming printer line. The attachments also include detailed

> product specs, positioning, warranty information, etc.

>

> Dell will introduce three printer models in the late March/Early April

> timeframe, a \$149 all-in-one inkjet, a \$289, 19PPM B&W Laser and a \$499,

> 22PPM B&W laser. The printers are targeted toward the consumer and SMB

> markets. They are not planning to sell printers or consumables at retail.

> Their direct consumables distribution strategy includes significant

> discounts including free shipping of cartridges. They have developed

> print status monitor software which will prompt customers to purchase

> replacement cartridges. This software will also provide financial

> incentives. (see below). Dell also plans to introduce a 40 PPM model at

> \$799 around the middle of this year.

>

information

- > This information has been confirmed by two independent industry sources.
- >
- > We have a lot of context around the attached information, so call me when
- > you have a chance. Thank you.
- >
- >
- > Regards,
- >
- > Brian Bonazzoli
- > Director
- > Strategic Business Intelligence
- > Hewlett-Packard
- > (650) 857-2381
- > Brian.Bonazzoli@HP.com
- >
- >
- >
- > Dell is redefining consumables replenishment...
- >
- > Design Goals for Dell Ink/Toner Management System
- > * Never let a customer run out of ink or toner without having a spare
- > available on hand
- > * Dramatically Improve the Consumables Buying Experience
- > * Make it easy and ensure a customer never runs out of ink or toner
- > * Proactive print status monitor with "gas gauge"
- > * Keep the URL and phone number always visible
- > * 3-5 click purchase process
- > * Alerts with call to action at 25%, 15%, 10% levels
- > <<...OLE_Obj...>>
- >
- >
- > Making it easy to get Ink/Toner...(please, look at my previous e-mail
- > message re: the S&H aversion study)
- >
- > * Low ink detect and desktop icon: Printer driver automatically takes
- > the customer to Dell Printer Supplies for repurchase
- > * POS Sales Messaging: Simple message to educate customer on
- > consumable re-order process and encourage ready spare
- > * Dell.com/supplies: New supplies selector assists in purchase when
- > not using Low Ink Detect Tool
- > * Easy to find URL and phone number: In Low Ink Detect Alert; On
- > Cartridge; On Printer; In Manual; On Printer Test Page;
- > * "Learn More" Web Demo of Dell Ink/Toner Management System: On-line
- > graphical walk through of the consumables re-ordering process
- > * e-Circs and Direct Mail: Regular reminders include promos and
- > discounts
- > * In Box Collateral: Outlines the on-line repurchase process in an
- > easy-to-read, graphical format
- > * Printer Test Page: Graphically outlines the repurchase process via
- > Dell.com
- >

information

- >
- > Printer Family Overview...
- > <<...OLE_Obj...>>
- >
- > Details on A940...
- >
- > <<A940.ppt>>
- > Dell Personal Laser Printer, P1500
- >
- > <<P1500.ppt>>
- > Dell Workgroup Laser Printer, S2500/n
- >
- > <<S2500.ppt>>
- > Key Service Offerings...
- >
- > <<...OLE_Obj...>>
- >
- >
- >

Following people are coming to Japan/Korean in FEB.

KI

----- Original Message -----

From: <Blake_Middleton@Dell.com>

To: <iizuka@dinner.co.jp>

Cc: <Stacie_Tom@Dell.com>

Sent: Thursday, January 23, 2003 8:26 AM

Subject: RE: Kyoceramita/Dell Meeting at Osaka in February

- > Katsumi-san,
- >
- > Thanks for the feedback.
- >
- > Attendees:
- > Tim Peters VP/GM Printing & Imaging Business
- > Blake Middleton Director Procurement
- > Dr. David Cameron Director Development
- > Pat Driscoll Sr. Mgr Operations/Quality
- >
- > Proposed Agenda:
- > Dell :
- > * Strategic Objective
- > * Sourcing Strategy and next Steps
- >
- > Kyoceramita:

information

- > * Company Overview
- > * Technology Summary
- > - overview of key technologies (vertical integrated vs. OEM)
- > - Technology trends over next 1-3 years
- > * Product Roadmaps (Dell Format)
- > - Mono Lasers
- > - Color Lasers
- > - Mono MFPs
- > * Supplier Selection Criteria Review
- > - Discuss Feedback of each functional area responses due 01/15/03
- > - Would appreciate 20-25 minutes per function (Operations, Procurement, Engr, Marketing)
- > * Discuss Next Steps
- >
- > Please review and would appreciate any edits or additional topics to be discussed.
- >
- > Regards,
- > Blake
- >
- >
- > -----Original Message-----
- > From: iizuka [<mailto:iizuka@dinner.co.jp>]
- > Sent: Thursday, January 16, 2003 9:01 PM
- > To: Middleton, Blake
- > Subject: Re: Kyoceramita/Dell Meeting at Osaka in February
- >
- >
- > Blake,
- >
- > I have spoken with Mr.Kuki and confirmed that Kyoceramita has made all controller boards.. designed by them.
- >
- > By the way, How many and who are coming to Osaka from Dell to attend to Kyoceramita meeting.
- > they would like to have this information for meeting room and dinner arrangement.
- >
- > Also, if you do not mind, please advise your iteneraay of Aisa trip for my reference.
- >
- > Looking forward to working together...
- >
- >
- > Best regards
- >
- > Katsumi
- >
- >
- >

information

Karl,

I was introduced Mr. Tukada, printer sales manager handling Lexmark business at Funai.

He is just visiting at Funai China factory this time but I could try to get some information about Dell/Lexmark and Dell branded product over there..

Mr. Tukada is working under Mr. Hino, who is general manager at printer sales division.

Though meeting time would be quite short due to tight schedule,, I will do my best.

any more specific questions would be welcome..

Katsumi

From: "iizuka" <iizuka@cs.puon.net>
Date: Thu, 23 Jan 2003 20:59:03 +0900
To: "Kamb, Karl" <karl.kamb@hp.com>
Cc: <takae.ueda@ezweb.ne.jp>
Subject: Funai China printer factory

MessageI will be in China for 1/27-28...

I plan to visit Funai China factory (printer plant) on 1/28.
It will be very short trip.. may be one hour only due to tight schedule..

If you should have any specific question about Funai printer factory, please let me know.

Today, I have spoken with Funai..

* He clearly re-mentioned two points about Funai-Lexmark printer business.

information

According to Terri, Mr.Tani has introduced this business to Funai..
and Funai has hired many engineers from Star to start RD and
production engineering..

Funai said that above two things were not correct.
Funai said Funai did not hire Star engineer.but Funai and Lexmark
engineer has co-worked for initial stage.. mutual efforts..

* Funai has used outsider engineering help when they started laser printer.

* Funai is worndering how to increase printer business. However, they would
like to stick with Lexmark business..

Funai does not own any IP for making printer but Lexmark.
So, they must make Lexmark grow further...

I think I could at least achieve following matter by visiting Funai factory.

1. how many model to be made for Dell own product.
2. When exactly to start Mass production.
3. Any direct relationship with Dell printer team ?

KI

From: Kamb, Karl [mailto:karl.kamb@hp.com]
Sent: Tuesday, January 21, 2003 4:44 PM
To: topper@ra2.so-net.ne.jp
Subject: RE: thank you email to Iizuka-san

Thanks!!!

Karl Kamb, Jr.
VP, Business Development and Strategic Planning
HP Office of Corporate Strategy & Technology
Tennoz Central Tower
2-2-24 Higashi-shinagawa
Shinagawa-ku, Tokyo 140-8641

Phone: 81-3-5769-9430
Fax: 81-3-5769-9435
Mobile: 81-9080158820

information

2-28-12-1303 Megurohoncho Meguro-ku,
Tokyo 152-0002

Phone/Fax : 03-3791-4384

Email: topper@ra2.so-net.ne.jp

imagine_that_jp@yahoo.co.jp

takae_ueda@ezweb.ne.jp

A940.ppt Content-Type: application/vnd.ms-powerpoint
Content-Encoding: base64

P1500.ppt Content-Type: application/vnd.ms-powerpoint
Content-Encoding: base64

S2500.ppt Content-Type: application/vnd.ms-powerpoint
Content-Encoding: base64

EXHIBIT E

HALE LANE

ATTORNEYS AT LAW

2300 West Sahara Avenue | Eighth Floor | Box 8 | Las Vegas, Nevada 89102
Telephone (702) 222-2500 | Facsimile (702) 365-6940
www.halelane.com

August 31, 2005

VIA FACSIMILE (650) 857-3710

Mr. Kevin Hunsaker, Esq.
Hewlett-Packard Company
Mail Stop 1050
3000 Hanover Street
Palo Alto, California 94304

Re: Karl Kamb

Dear Mr. Hunsaker:

As you are aware, our firm represents Karl Kamb who is Hewlett-Packard's ("H-P") Vice-President of Corporate Strategy and Business Development for Japan. This letter will confirm our August 30th telephone conversation where I demanded that Mr. Kamb's personal laptop, which was provided to Jeanne Young on August 26, 2005, be returned to him no later than Thursday, September 1, 2005. This laptop computer is owned by Mr. Kamb who purchased it with his own funds. Although Mr. Kamb is in the process of attempting to locate the receipt demonstrating he purchased this laptop, a review of your own business records will immediately confirm that this laptop computer is not owned by H-P nor has it been issued to Mr. Kamb by H-P. Mr. Kamb's personal laptop computer contains extremely personal information including documents protected by the attorney-client privilege.

Further, this letter will confirm that, to the extent Mr. Kamb's laptop hard drive has not been imaged, you are to immediately cease with any imaging process. Alternatively, if Mr. Kamb's laptop hard drive has already been imaged, I have demanded that all copies of his imaged hard drive be provided to me. Regardless of whether Mr. Kamb, on August 26, 2005, provided H-P with permission to take his laptop, any permission to perform an inspection or analysis of his laptop was revoked when we spoke yesterday.

Moreover, I have been informed by Mr. Kamb that certain individuals have attempted to gain access to his T-Mobile and Sprint telephone records. On August 25th and August 30th, two individuals posing as T-Mobile employees telephoned Mr. Kamb and requested that he provide his personal identification number ("PIN"). Mr. Kamb refused to disclose his PIN and instead contacted T-Mobile's security center.

Edward Everett Hale
(1929-1993)
Steve Lane
J. Stephen Peek
Karen D. Dennison
R. Craig Howard
Stephen V. Novacek
Richard L. Elmore
Richard Bennett
Alex J. Flangas
Kristin B. McMillan
James L. Kelly
Kelly Testolin
N. Patrick Flanagan
Matthew E. Woodhead
Michelle D. Mullins
Roger W. Jeppson
Lance C. Earl
Jeremy J. Nork
David A. Garcia
Fred D. Gibson, III
Elissa F. Cadish
Timothy A. Lukas
Frederick J. Schmidt
James Newman
Torry R. Somers
Patrick J. Reilly
Scott D. Fleming
Scott Scherer
Anthony L. Hall
Jerry M. Snyder
Brent C. Eckersley
Frederick R. Batcher
Patricia C. Halstead
Matthew J. Kreutzer
Matthew B. Hippler
Brad M. Johnston
Bryce K. Kunimoto
Douglas C. Flowers
Justin C. Jones
Nicole M. Vance
KimberLee Rotchy*
Dora V. Djilianova
Sarah E. L. Class
Leigh C. Davis
Zachary B. Coughlin

Of Counsel

Roy Farrow
Pauline Ng Lee
Andrew Pearl

*Admitted in California only

HALE LANE PECK DENNISON AND HOWARD

RENO OFFICE: 5441 Kietzke Lane | Second Floor | Reno, Nevada 89511 | Phone (775) 327-3000 | Facsimile (775) 786-6179
CARSON CITY OFFICE: 777 East William Street | Suite 200 | Carson City, Nevada 89701 | Phone (775) 684-6000 | Facsimile (775) 684-6001

::ODMA\PCDOCS\HLLASDOCS\1972881

HALE LANE
ATTORNEYS AT LAW

August 3, 2005

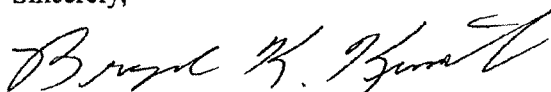
Page 2

Mr. Kamb was informed by T-Mobile that the individuals who contacted him to request his PIN were not employees of T-Mobile. Moreover, on August 25, 2005, an individual posing as Mr. Kamb contacted Sprint telephone and requested access to his telephone records. Mr. Kamb became aware of this attempted security breach on Tuesday, August 30, 2005, after a Sprint representative contacted him to confirm the August 25th request. These events are suspicious because they occurred around the August 26, 2005 visit in which two representatives from H-P visited Mr. Kamb's house and interrogated him for approximately two hours regarding his business relationships and contacts. To the extent, these covert and illegal activities were at the direction of H-P, I demand that H-P stop these activities immediately.

Please inform any and all employees and/or representatives from H-P to refrain from contacting Mr. Kamb either directly or through any surreptitious means. Please direct all communications with Mr. Kamb to me. Moreover, as discussed during our August 30th telephone conference, please return Mr. Kamb's personal laptop computer and any copies of his imaged hard drive (if applicable) to me no later than Thursday, September 1, 2005.

Also, Mr. Kamb is awaiting the results of any investigation. He is quite upset and alarmed by the accusations being made against him and looks forward to promptly being cleared of any wrongdoing. I expect to be notified promptly regarding the results of any investigation. If you have any questions, please do not hesitate to contact me.

Sincerely,



Bryce K. Kunitomo

BKK:jmb

HALE LANE

ATTORNEYS AT LAW

2300 West Sahara Avenue | Eighth Floor | Box 8 | Las Vegas, Nevada 89102
Telephone (702) 222-2500 | Facsimile (702) 365-6940
www.halelane.com

FACSIMILE TRANSMITTAL SHEET

FROM: Bryce K. Kunimoto, Esq. **DATE:** August 31, 2005

FILE NO.: 20750-0001 **NO. OF PAGES W/COVER:** 3

RE: Karl Kamb

SEND TO (NAME/COMPANY) **FACSIMILE NO.** **TELEPHONE NO.**

Kevin Hunsaker, Esq. 650-857-3710

MESSAGE: **RETURN TO:** Jill

Please see attached.

HALE LANE PEEK DENNISON AND HOWARD

CONFIDENTIALITY NOTICE: The information contained in this facsimile message is intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient, or as the employee or agent responsible for delivering it to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this message in error, please immediately notify us by telephone and return the original message to us at the above address via the u.s. postal service. We will gladly reimburse your telephone and postage expenses. Thank you.

::ODMA\FCDOSVHLLASDOCSI97326\1

08/31/2005 15:55 FAX

Hale Lane

001

*** TX REPORT ***

TRANSMISSION OK

TX/RX NO	3032
CONNECTION TEL	99*0600#16508573710#
SUBADDRESS	
CONNECTION ID	
ST. TIME	08/31 15:54
USAGE T	00'31"
PGS. SENT	3
RESULT	OK

HALE LANE

ATTORNEYS AT LAW

2300 West Sahara Avenue | Eighth Floor | Box 8 | Las Vegas, Nevada 89102
Telephone (702) 222-2500 | Facsimile (702) 365-6940
www.halelane.com

FACSIMILE TRANSMITTAL SHEET

FROM: Bryce K. Kunimoto, Esq. DATE: August 31, 2005

FILE NO.: 20750-0001 NO. OF PAGES W/COVER: 3

RE: Karl Kamb

<u>SEND TO (NAME/COMPANY)</u>	<u>FACSIMILE NO.</u>	<u>TELEPHONE NO.</u>
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Kevin Hunsaker, Esq.	650-857-3710
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<u>MESSAGE:</u>	<u>RETURN TO: Jill</u>
-----------------	------------------------

Please see attached.

EXHIBIT F

SEP. 1. 2005 3:49PM

HP LEGAL

NO. 1551 P. 2



Hewlett-Packard Company
3000 Hanover Street
Mail Stop 1050
Palo Alto, CA 94304-1112
www.hp.com

Kevin T. Hunsaker
Senior Counsel

650.857.3079 Tel
650.857.3710 Fax
kevin.hunsaker@hp.com

September 1, 2005

Bryce K. Kunimoto
Hale Lane, Attorneys at Law
2300 West Sahara Avenue
Eighth Floor, Box 8
Las Vegas, Nevada 89102

VIA FACSIMILE

Dear Mr. Kunimoto:

I write in response to your request that Hewlett Packard ("HP") return a laptop computer that Karl Kamb voluntarily relinquished to HP last week in connection with the Company's investigation of certain activities that Mr. Kamb engaged in while employed by HP.

As you know, representatives of HP spoke with Mr. Kamb at his home in Las Vegas, Nevada on August 26, 2005 about certain matters pertaining to his HP employment. At the end of that conversation, Mr. Kamb voluntarily turned over a laptop computer to HP, indicating as he did so that the computer was HP's equipment. In contrast, Mr. Kamb refused to permit the HP representatives to recover other electronic equipment in his possession on the basis that this equipment was his "personal property."

In our conversation earlier this week, you suggested that Mr. Kamb had reversed his position on the ownership of the computer. Mr. Kamb now apparently claims that the computer actually belongs to him. HP has been unable to verify that the computer is Mr. Kamb's personal property. Indeed, the facts as presently known by HP indicate that the computer is the property of HP.

In order to verify Mr. Kamb's claim that the computer belongs to him, I asked you to supply a receipt or other proof evidencing Mr. Kamb's purchase of the computer. As of the writing of this letter, however, you have not supplied any such receipt or proof, leading HP to conclude that the computer, in fact, belongs to the Company. I again invite you to supply HP with appropriate documentation establishing that the computer is Mr. Kamb's personal property so that HP may properly and promptly evaluate Mr. Kamb's claim of ownership. In addition to a receipt or other proof evidencing Mr. Kamb's ownership of the computer, Mr. Kamb should also submit an affidavit or sworn declaration attesting that (i) he did not use the computer in connection with performing any of his job duties for HP; (ii) the computer does not contain any information pertaining to HP; and (iii) he did not obtain reimbursement from HP for his purchase of the computer.

With respect to your statements concerning Mr. Kamb's T-Mobile and Sprint telephone records, I can assure you that no representatives of HP were involved in any of the alleged activity described in your letter. Given that your client is involved in divorce proceedings in Texas, you might consider the possibility that the adverse party in that litigation is a potential participant in the actions you describe.

SEP. 1. 2005 3:49PM

HP LEGAL

NO. 1551 P. 3



Hewlett-Packard Company
3000 Hanover Street
Mail Stop 1050
Palo Alto, CA 94304-1112
www.hp.com

September 1, 2005
Page 2

Finally, we have no interest in Mr. Kamb's "extremely" personal information or any information protected by the attorney/client privilege. If you can identify such information for us, we can attempt to segregate it and arrange for its return.

If you have any questions about the contents of this letter, please contact me at your earliest convenience.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Kevin T. Hunsaker', written over a horizontal line.

Kevin T. Hunsaker
Senior Counsel
Corporate Legal Department

KTH/kb

09/01/2005 15:37 FAX 3656940

Hale Lane

001

*** RX REPORT ***

RECEPTION OK

TX/RX NO	6367	
CONNECTION TEL		6508528617
SUBADDRESS		
CONNECTION ID		
ST. TIME	09/01 15:36	
USAGE T	00'37	
PGS.	3	
RESULT	OK	

SEP. 1. 2005 3:49PM HP LEGAL

NO. 1551 P. 1

Hewlett-Packard Company
3000 Hanover Street
MS: 1050
Palo Alto, California
USA

Tel 650.857.3079
Fax 650.857.3710
www.hp.com



Fax

To: Bryce K. Kunitomo

Company: Hale Lane

Telephone: 702.222.2500

Fax: 702.365.6940

From: Kevin Hunsaker

Subject: Karl Kamb

Number of pages (including cover): 3

Date: September 1, 2005

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EXHIBIT G

W&R Wilson Sonsini Goodrich & Rosati
PROFESSIONAL CORPORATION

650 Page Mill Road
Palo Alto, CA 94304-1050
PHONE 650.493.9300
FAX 650.493.6811
www.wsgr.com

**PRIVILEGED & CONFIDENTIAL
ATTORNEY WORK PRODUCT
REFLECTS ATTORNEY-CLIENT COMMUNICATION**

MEMORANDUM

To: HP Securities Litigation Team
From: Bahram Seyedin-Noor and Bryan Ketrosier
Date: August 25, 2006
Re: Interview of Kevin Hunsaker -- DRAFT --

On August 25, 2006, Steven Schatz, David Berger and Bahram Seyedin-Noor interviewed Kevin Hunsaker, Senior Counsel for Hewlett-Packard Company ("HP" or the "Company"), via teleconference. This memorandum reflects the thoughts and impressions of Bahram Seyedin-Noor from the interview.

I. Kona I

1. Hunsaker did not even know about the Kona I investigation until Kona II.

II. Pretexting

2. Hunsaker first learned that HP had used pretexting to obtain phone records in July 2005 in connection with an unrelated HP investigation. One of the subjects of that investigation was going through a messy divorce, and his attorney contacted Hunsaker, claiming that HP had attempted to change his PIN in order to access his voicemail. Hunsaker's team told him they had not altered the subject's PIN or voicemail, but had used pretexting to obtain phone information about the subject.

3. Hunsaker did not do any research regarding pretexting until the first week or two of the Kona II investigation.

4. Hunsaker had been supporting the Global Standards of Business Conduct team since 2003, and therefore, if there had been a question about pretexting during a past investigation, they should have contacted Hunsaker. Hunsaker said that his old boss was Lyle Keating.

EXHIBIT H

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SANTA CLARA

PEOPLE OF THE STATE OF CALIFORNIA,

Plaintiff,

v.

HEWLETT-PACKARD COMPANY, a
Delaware Corporation,

Defendant.

CASE NO.:

FINAL JUDGMENT AND PERMANENT INJUNCTION

Plaintiff, the People of the State of California, appearing through its attorneys, Bill Lockyer, Attorney General of the State of California, by Chief Assistant Attorney General Tom Greene, Senior Assistant Attorney General Albert Norman Shelden, and Deputy Attorney General Catherine Z. Ysrael, and defendant Hewlett-Packard Company, a Delaware corporation (hereinafter, "HP"), appearing through its attorneys Morgan, Lewis & Bockius LLP, by Michael J. Holston and John H. Hemann, and it appearing to the Court that the parties hereto, in the Stipulation for Entry of Final Judgment and Permanent Injunction (hereafter "Stipulation") on file herein, have stipulated and consented to the entry of this Final Judgment and Permanent Injunction without the taking of proof and without trial or adjudication of any fact or law herein,

1 without this Final Judgment and Permanent Injunction constituting evidence of or an admission
2 by HP regarding any issue of law or fact alleged in the Complaint on file herein, and without HP
3 admitting any liability herein in so far as any other litigation regarding allegations of violations,
4 which occurred prior to the entry of this Final Judgment and Permanent Injunction, is concerned,
5 the Court having considered the matter and good cause appearing therefore:

6 **IT IS HEREBY ORDERED THAT:**

- 7 A. This Court has jurisdiction of the parties hereto.
- 8 B. This Court has jurisdiction of the subject matter hereof.
- 9 C. The Final Judgment and Permanent Injunction entered into by the parties has been
10 reviewed by the Court, and it is found to have been entered in good faith and to be in all respects
11 suitable and equitable.
- 12 D. The injunctive provisions of this Final Judgment and Permanent Injunction shall
13 be applicable to defendant HP, as well as its subsidiaries; its successors and the assigns of all or
14 substantially all of the assets of its businesses; and its directors, officers, employees, agents,
15 independent contractors, partners, associates and representatives of each of them.

16 **PERMANENT INJUNCTION**

17 E. Pursuant to California Business and Professions Code section 17203, HP shall be
18 and hereby is permanently enjoined and restrained from directly or indirectly doing any of the
19 following acts or practices in connection with the conduct of investigations:

20 (1) Using false or fraudulent pretenses, representations, personations, or promises
21 to obtain from a public utility any confidential, privileged, or proprietary information,
22 including customer or billing records, in violation of California Penal Code section
23 538.5.

24 (2) Obtaining and unlawfully using personal identifying information, including
25 social security numbers, in violation of California Penal Code section 530.5.

26 (3) Knowingly accessing and without permission using any data, computer,
27 computer system, or computer network in order to (a) devise or execute any scheme or
28

1 artifice to defraud, deceive, or extort, or (b) wrongfully obtain property or data, in
2 violation of California Penal Code section 502(c)(1).

3 (4) Knowingly accessing and without permission taking, copying, or making use
4 of any data from a computer, computer system, or computer network, or taking or
5 copying any supporting documentation, whether existing or residing internal or external
6 to a computer, computer system, or computer network, in violation of California Penal
7 Code section 502(c)(2).

8 (5) Violating California Penal Code section 638, effective January 1, 2007, which
9 prohibits the purchasing, offering to purchase or conspiring to purchase any telephone
10 "calling pattern record or list" without the written consent of the subscriber or, through
11 fraud or deceit, attempting to procure or obtain any telephone "calling pattern record or
12 list," as set forth in the statute.

13
14 **HP'S PAST AND FUTURE CORPORATE GOVERNANCE MEASURES TO**
15 **ENSURE COMPLIANCE WITH CALIFORNIA STATE LAW**

16 F. As set forth in the Stipulation, since the time that the Attorney General and HP
17 commenced negotiations to resolve this action, HP has undertaken a number of relevant
18 corporate governance reforms. Certain additional reforms have been requested by the Attorney
19 General. To ensure that employees of HP do not in the future violate the California Penal Code
20 sections identified herein in connection with investigatory activity, pursuant to California
21 Business and Professions Code section 17203, for a period of five (5) years, HP shall implement
22 and, if it already has done so, continue the following measures:

23 (1) HP has appointed to the Board of Directors a new director who is "independent"
24 under Section 303A of the New York Stock Exchange Listed Company Manual. This new
25 independent director ("Independent Director") shall be responsible for reviewing as set forth
26 below and reporting to the Board on HP's compliance with legal and ethical requirements related
27 to the conduct of investigations. The Independent Director will provide advice and guidance to
28 the Chief Ethics and Compliance Officer ("CECO"), whose responsibilities are described below,

1 and will report to the full Board and the Audit Committee of the Board as the Independent
2 Director deems appropriate.

3 (a) The Independent Director shall receive and review copies of any reports
4 created by the CECO and the Compliance Council relating to the conduct of
5 investigations, as well as any reports provided to the Board related to the conduct
6 of investigations.

7 (b) The Independent Director shall review and authorize all investigations related
8 in any way to the Board of Directors or the conduct of individual members of the
9 Board, unless the investigation or conduct relates to the Independent Director, in
10 which case the lead independent director of the Board shall provide such review
11 and authorization.

12 (c) The Independent Director shall review and approve the training program
13 implemented pursuant to paragraph 8 below.

14 (d) The Independent Director shall be authorized to engage independent legal
15 advisors as necessary without obtaining approval from the CEO or General
16 Counsel, subject to review by the Board of Directors.

17 (e) If the Independent Director concludes that HP is violating any California law
18 or this Judgment in conducting any investigations, he or she shall promptly report
19 this conclusion to the California Attorney General.

20 (f) If the Independent Director concludes that, in connection with any
21 investigation, HP is violating any California law or this Judgment, or is in
22 violation of its code of ethics that is applicable to directors, officers and other
23 employees of HP and is known as the "Standards of Business Conduct" (the
24 "SBC"), or that any outside vendor is violating any California law or this
25 Judgment, or is in violation of HP's applicable code of conduct, with respect to
26 the conduct of investigations, he or she shall immediately report this conclusion
27 to the General Counsel, the CECO, the CEO, and Board of Directors.

28

1 (g) Each of the Independent Director and the CECO, at his request or at the
2 request of the Audit Committee, shall be permitted to meet in private session with
3 the Audit Committee. The Audit Committee's charter shall be amended, as
4 necessary, to ensure that the Independent Director and CECO each has the ability
5 to meet in private session with the Audit Committee.

6 (2) HP has created the position of Chief Ethics and Compliance Officer ("CECO"). HP
7 has employed and shall continue to employ an experienced, senior executive in this position.
8 The CECO will be responsible for the management and supervision of ethics and compliance
9 and will be assigned to HP's Palo Alto headquarters. The CECO shall report directly to the
10 General Counsel and to the Audit Committee of HP's Board of Directors. HP shall maintain an
11 anonymous toll-free complaint line, which will be overseen by the CECO.

12 (a) With regard to the CECO's oversight of HP's investigative practices, the
13 CECO shall provide reports to the Independent Director. The CECO will be
14 authorized to hire appropriate staff and obtain other appropriate resources to
15 perform his duties, and also will be authorized to engage independent legal
16 advisors as necessary without obtaining approval from the CEO or General
17 Counsel, subject to review by the Independent Director and the board of directors.

18 (b) The CECO shall review HP's investigative practices (both as performed
19 internally and as conducted by third parties), the SBC, and codes of conduct
20 applicable to outside investigation firms. The CECO shall consult with the
21 Qualified Authority discussed in paragraph F(3) below in order to review the
22 findings and recommendations provided by the Qualified Authority. On or before
23 July 31, 2007, the CECO will report the results of this review and make
24 recommendations for improvements in those practices to the CEO, the
25 Independent Director, and the Board of Directors. HP will provide a copy of such
26 report to the California Attorney General, which shall be exempt from disclosure
27 under the California Public Records Act pursuant to Government Code sections
28 6254(b), 6254(f), and 6254.15. Thereafter, the CECO will provide annual reports,

1 and additional reports as appropriate, to the CEO and Board of Directors
2 regarding HP's compliance with recommendations for improvements in HP's
3 practices with respect to its SBC, applicable codes of conduct and other policies
4 regarding business ethics and privacy protection.

5 (3) HP has employed a qualified authority ("Qualified Authority") who is in the process
6 of performing a comprehensive review of HP's compliance with applicable legal requirements
7 and ethical standards, as these standards apply to HP's policies and practices regarding
8 investigations. The Qualified Authority shall make recommendations for ensuring that any
9 investigations performed by or on behalf of HP are legal, ethical and appropriate. The Qualified
10 Authority shall report his or her findings directly to the CECO, the Independent Director and the
11 Board of Directors. Based on this review, HP will adopt internal processes and controls designed
12 to prevent misconduct in future HP investigations. The Qualified Authority's conclusions and
13 recommendations shall be incorporated into the initial report written by the CECO referenced in
14 paragraph F(2)(b) above.

15 (4) HP shall expand the duties and responsibilities of HP's Chief Privacy Officer to
16 include responsibility for reviewing HP's investigation protocols to ensure they appropriately
17 address matters related to privacy and ethics. Such investigation protocols shall ensure there are
18 adequate approval and oversight policies with respect to investigations conducted either within
19 HP or by its outside vendors.

20 (5) HP shall establish a Compliance Council chaired by the CECO. The members of the
21 Council will include the CECO (chair), the Chief Privacy Officer, the Deputy General Counsel
22 for compliance matters, the head of Internal Audit, and several Ethics and Compliance liaisons
23 (chosen by the CECO from each business segment and function). The Compliance Council will
24 develop, initiate, maintain and revise policies and procedures for the general operation of HP's
25 ethics and compliance programs consistent with applicable laws and regulations. The
26 Compliance Council will provide written semi-annual reports to each of the CEO, the Audit
27 Committee and the Nominating and Governance Committee, and written annual reports to the
28 Board. Additionally, the Council's liaisons shall report to the Compliance Council as needed

1 with respect to the investigatory methods used in investigations within their area of
2 responsibility, including those conducted by outside vendors.

3 (6) The CECO will report any material violation of the codes of conduct applicable to
4 outside investigation firms to the head of the appropriate business segment or function, who, in
5 consultation with the CECO, will take appropriate action. The CECO will also report any
6 material violation of the SBC, with respect to investigations conducted in-house, to the head of
7 the appropriate business segment or function, who, in consultation with the CECO, will take
8 appropriate action. Such action may include adverse employment actions, reallocation of
9 resources, corrective actions or other methods reasonably necessary to remediate the violation.
10 If the head of the appropriate business segment or function does not take appropriate action, the
11 CECO shall report the violation to the CEO and the Independent Director. The CECO will
12 report in writing to the Compliance Council semi-annually on all actions taken, and the
13 Compliance Council shall review the appropriateness of the action taken, including for
14 consistency as compared to other actions taken.

15 (7) In the event of a dispute regarding the appropriateness of any action to be taken by
16 the Independent Director, the CECO, the Qualified Authority, the Chief Privacy Officer, or the
17 Compliance Council pursuant to this Final Judgment and Permanent Injunction, the matter shall
18 be referred by the Independent Director or the CECO to the Audit Committee for resolution.

19 (8) HP shall enhance its current training program as follows:

20 (a) Under the direction of the CECO and the Compliance Council, the existing
21 annual training requirement will be redesigned and updated to ensure that the
22 business ethics component plays a more prominent role.

23 (b) Additional training will be required for those HP employees who are engaged
24 in the conduct of investigations for HP. That training will be designed by the
25 CECO, with input from the Chief Privacy Officer and, as appropriate,
26 independent counsel.

27 (c) The Board and senior management will be given training on potential and
28 actual conflicts of interest that may arise with respect to outside attorneys

1 representing not only HP but also the Board or any of its Committees. The Board
2 shall be trained regarding the hiring of independent counsel and conduct of
3 investigations.

4 (d) The Chief Privacy Officer will review the training program implemented
5 pursuant to this paragraph to ensure that it appropriately addresses privacy
6 matters.

7 (e) The Independent Director shall approve the training program implemented
8 pursuant to this paragraph 8.

9 (f) In addition to the applicable supplier codes of conduct, all outside
10 investigation firms will be provided written standards of conduct, developed by
11 HP, that pertain specifically to privacy and business ethics concerns regarding
12 investigatory methods used in the course of investigations. HP shall require these
13 outside investigation firms to certify that their employees who work on HP
14 matters have reviewed, understand, and will comply with these written standards
15 of conduct. Compliance with these written standards of conduct, as well as the
16 applicable codes of conduct for outside vendors, shall be a material term of any
17 contract HP enters into with any outside investigation firm.

18 **PRIVACY AND PIRACY FUND**

19 G. In order to dissipate any harm that may have resulted from HP's past practices in
20 conducting investigations, pursuant to California Business and Professions Code section 17203,
21 HP shall pay to the Plaintiff within sixty (60) days of the entry of this Final Judgment and
22 Permanent Injunction the sum of THIRTEEN MILLION FIVE HUNDRED DOLLARS
23 (\$13,500,000), for the creation in the California Attorney General's Office of a Privacy and
24 Piracy Fund (the "Fund"). Such amount is separate and distinct from the amounts set forth in
25 paragraphs H and I hereof. Payment shall be made by check made payable to the "California
26 Attorney General's Office" and shall be delivered to the California Attorney General's Office,
27 300 South Spring Street, Suite 1700, Los Angeles, California 90013, to the attention of Deputy
28

1 Attorney General Catherine Z. Ysrael. The following conditions govern the disbursement of
2 funds from the Privacy and Piracy Fund:

3 (1) Pursuant to California Business and Professions Code section 17203, the California
4 Attorney General shall create a cy pres fund upon receipt of the \$13.5 million dollars, and these
5 funds shall be used to establish the Privacy and Piracy Fund.

6 (2) The Privacy and Piracy Fund is established to allow the California Attorney
7 General's Office and other authorized prosecutors to have access to additional funds so that they
8 can more effectively combat violations of the public's privacy rights and violations of
9 intellectual property rights. An "authorized prosecutor" refers to any district attorney, any city
10 attorney, and any city and county attorney authorized to prosecute violations of California
11 Business and Professions Code 17200 et seq., as set forth in California Business and Professions
12 Code section 17206.

13 (3) Up to \$1,000,000 of the original \$13.5 million dollars in the Fund may be disbursed
14 annually; the principal may be invaded for this purpose.

15 (4) Of the annual disbursement, \$500,000 (or 50% of the amount that can be disbursed
16 if the amount in the Fund is less than \$1,000,000), is automatically allocated to the California
17 Attorney General's Office for use in investigating and prosecuting violations of the public's
18 privacy rights and violations of intellectual property rights. Any amount of the Attorney
19 General's annual allocation not used by the Attorney General's Office in the year of allocation
20 may be carried over for use by the Attorney General's Office in subsequent years. Such carry-
21 over shall have no effect whatsoever on any subsequent year's allocation amount, which shall be
22 made to the Attorney General's Office in the manner set forth above. These funds shall solely
23 and exclusively augment the budget of the Attorney General's Office and in no manner shall
24 supplant or cause any reduction of any portion of the Attorney General's budget.

25 (5) Of the annual disbursement, up to \$500,000 (or up to 50% of the amount that can be
26 disbursed if the amount in the Fund is less than \$1,000,000), may be disbursed to authorized
27 prosecutors for use in investigating and prosecuting violations of the public's privacy rights and
28 violations of intellectual property rights. These funds shall solely and exclusively augment the

1 budget of the authorized prosecutor and in no manner shall supplant or cause any reduction of
2 any portion of the authorized prosecutor's budget. If an authorized prosecutor brings an
3 investigation or action pursuant to a grant from the Fund, the authorized prosecutor must (1)
4 include a provision in any settlement agreement which requires the Fund to be fully reimbursed
5 for the amount of the grant; (2) fully reimburse the Fund from the money or other consideration
6 received as part of the settlement before any such money or other consideration is used for any
7 other purpose; and (3) use its best efforts to reimburse the Fund in full from any monetary
8 recovery ordered by trial and appellate courts and paid by the defendant in the event the People
9 are the prevailing party after trial. Except as otherwise expressly agreed by the three-person
10 committee of the California Attorney General's Office in writing, unused or excess funds must
11 be returned to the Fund within 60 days after the conclusion of the investigation or litigation for
12 which the grant was requested.

13 (6) The California Attorney General's Office will create a three-person committee to
14 evaluate grant applications from authorized prosecutors seeking to utilize funds from the Privacy
15 and Piracy Fund. This three-person committee shall consist of the Senior Assistant of the
16 Consumer Law Section, the Senior Assistant Attorney General of the Special Crimes Unit, and
17 the Chief Assistant Attorney General of the Public Rights Division of the California Attorney
18 General's Office or their designee(s). This committee shall establish criteria for grant
19 applications, will evaluate grant applications and make recommendations regarding which grant
20 applications will be funded and the amounts in which they will be funded. The Attorney General
21 will make the final decision regarding which grant applications will be funded and the amounts
22 in which they will be funded. The Attorney General's decision shall be final.

23 (7) Fourteen (14) months from the date of entry of the Final Judgment, the Attorney
24 General's Office will provide a report to the Court identifying disbursements from the Fund,
25 including the names of the grant recipients and the amounts awarded to each recipient. Every
26 year thereafter, on the anniversary date of the first report, the Attorney General shall submit a
27 report to the Court detailing disbursements from the Fund since the preceding report was filed.

28

CIVIL PENALTIES

1 H. Pursuant to Business and Professions Code section 17206, HP will pay to the
2 Plaintiff within sixty (60) days of the entry of this Final Judgment and Permanent Injunction the
3 sum of SIX HUNDRED AND FIFTY THOUSAND DOLLARS (\$650,000). Payment shall be
4 made by check made payable to the "California Attorney General's Office" and shall be
5 delivered to the California Attorney General's Office, 300 South Spring Street, Suite 1700, Los
6 Angeles, California 90013, attention Deputy Attorney General Catherine Z. Ysrael.

7 **COST OF INVESTIGATION AND PROSECUTION**

8 I. HP will pay to the Plaintiff within sixty (60) days of the entry of this Final
9 Judgment and Permanent Injunction the sum of THREE HUNDRED AND FIFTY THOUSAND
10 DOLLARS (\$350,000) as costs of investigation and prosecution of this matter. Payment shall be
11 made by check made payable to the "California Attorney General's Office" and shall be
12 delivered to the California Attorney General's Office, 300 South Spring Street, Suite 1700, Los
13 Angeles, California 90013, attention Deputy Attorney General Catherine Z. Ysrael.

14 **RETENTION OF JURISDICTION**

15 J. Jurisdiction is retained by the Court for the purpose of enabling any party to the
16 Final Judgment and Permanent Injunction to apply to the Court at any time for such further
17 orders and directions as may be necessary or appropriate for the construction or the carrying out
18 of this Final Judgment and Permanent Injunction, for the modification of any of the injunctive
19 provisions hereof, for enforcement of compliance herewith, and for the punishment of violations
20 hereof, if any.

21 K. Conditioned upon HP making full payment as provided under Paragraphs G, H,
22 and I of this Final Judgment and Permanent Injunction, defendant and all of its present and
23 former officers, directors, shareholders, any parents or affiliates, subsidiaries, employees,
24 successors, predecessors and assigns (collectively, the "Released Parties") are discharged from
25 all claims, to the extent permitted by law, related to or arising from the conduct of HP directors,
26 officers, employees, agents, and contractors in connection with the "Kona Investigation" as
27 described in the Complaint filed in this matter that the Attorney General could have brought
28 pursuant to California Business and Professions Code sections 17200, or Penal Code sections

1 502(c)(1)-(2), 530.5, or 538.5. Provided, however, notwithstanding any term of this Judgment or
2 this paragraph, specifically reserved and excluded from the scope and terms of this paragraph as
3 to any entity or person are any and all of the following:

4 (1) Any criminal liability, save and except that HP shall not be barred or prevented from
5 raising and asserting the defenses of res judicata, collateral estoppel, and double jeopardy to the
6 extent such defenses are applicable to any matter that served as the basis for this litigation;

7 (2) Any personal injury, property damage, indemnification, or contribution claims by the
8 State;

9 (3) Any tax liability;

10 (4) Any obligations created under this Judgment; and

11 (5) Any unlawful conduct not covered by the injunctive terms of this Judgment.

12 L. Nothing in this Final Judgment and Permanent Injunction shall be deemed to
13 permit or authorize any violation of any law or regulation of the State of California or otherwise
14 be construed to relieve Defendant of any on-going duty to comply with such applicable laws,
15 rules and regulations; nor shall anything herein be deemed to constitute permission to engage in
16 any acts or practices prohibited by such laws, rules or regulations.

17 M. The waiver or failure of any party to exercise any rights under this Final
18 Judgment and Permanent Injunction shall not be deemed a waiver of any right or any future
19 rights. If any part of this Final Judgment and Permanent Injunction shall for any reason be found
20 or held invalid or unenforceable by any court of competent jurisdiction, such invalidity or
21 unenforceability shall not affect the remainder of this Final Judgment and Permanent Injunction,
22 which shall survive and be construed as if such invalid or unenforceable part had not been
23 contained herein.

24 N. This Final Judgment and Permanent Injunction shall take effect immediately upon
25 entry thereof, without further notice to HP.

26 O. The clerk is ordered to enter this Final Judgment and Permanent Injunction
27 forthwith.

28 DATED: December 7, 2006

JUDGE OF THE SUPERIOR COURT