



Editorial Contact:

Elizabeth Gillan, HP
+1 281 518 1786
elizabeth.gillan@hp.com

HP Files Suit Against Harry Martin, Intelligent Decisions, Inc.

PRH1624

Committed to Eliminating Improper Brokering, HP Sues Defendants for Fraud, Breach of Contract and Conspiracy

PALO ALTO, Calif., March 14, 2003 -- HP (NYSE:HPQ) today announced it has filed suit in federal court against Harry Martin and Intelligent Decisions, Inc. of Virginia, to recover more than \$8 million that Martin and Intelligent Decisions obtained from HP through allegedly improper brokering schemes. HP's complaint sets forth claims for business conspiracy, fraud, breach of contract and violation of the California Unfair Trade Practices Act.

HP's complaint alleges that defendants Martin and Intelligent Decisions, Inc. told HP that they had large U.S. government contracts that required significant rebates and discounts from HP. The complaint alleges that of the \$22 million in HP products purchased by Intelligent Decisions, only \$2.1 million actually were resold to government agencies. HP's complaint further alleges that Intelligent Decisions resold the products to brokers and resellers, in direct violation of HP Reseller Agreements.

"HP is committed to ensuring the integrity of its products and protecting its authorized distribution channels and its customers," said Mike Larson, senior vice president and general manager, HP Personal Systems Group. "We will aggressively pursue those individuals and corporations who attempt to defraud HP or illegally broker HP products."

Intelligent Decisions was a reseller of HP products until its reseller status was terminated on Dec. 11, 2002.

March 14, 2003
Page 2

Compaq Computer Corporation filed a similar suit against Martin in August 2001 alleging that Martin “fabricated U.S. government contracts and customers in order to induce Compaq to sell its products at steep discounts from Compaq’s list prices.” The suit alleged that Martin resold the goods to brokers operating in the gray market. Martin settled the suit and Compaq was pleased with the financial settlement from defendants.

About HP

HP is a leading global provider of products, technologies, solutions and services to consumers and businesses. The company’s offerings span IT infrastructure, personal computing and access devices, global services and imaging and printing. HP completed its acquisition of Compaq Computer Corporation on May 3, 2002. More information about HP is available at <http://www.hp.com>.

#