

June 25, 2008 12:09 PM Eastern Daylight Time

**Susman Godfrey L.L.P. Provides Notice of Settlement to Class Members In re Electronic Data Systems Corp. "ERISA" Litigation**

DALLAS--(BUSINESS WIRE)--

Susman Godfrey L.L.P.:

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

IN RE ELECTRONIC DATA SYSTEMS  
CORP. "ERISA" LITIGATION

CASE NO. 6:03-MD-1512  
LEAD CASE: 6:03-CV-126  
("ERISA")

THIS DOCUMENT RELATES TO:  
ALL ACTIONS

**COURT-ORDERED LEGAL NOTICE**

**(Summary)**

To: (a) All participants and former participants in the Plan, and their beneficiaries for whose individual accounts the Plan purchased and/or held interests in EDS stock through the EDS Company Stock Fund (f/k/a the EDS Stock Fund or the GM Class E Stock Fund) at any time during the period September 7, 1999 through and including October 9, 2002, and the beneficiaries of such participants or former participants; and (b) all participants and former participants in the Plan, and their beneficiaries for whose individual accounts the Plan purchased EDS stock through the EDS Company Stock Fund at any time during the period October 20, 2001 through and including November 18, 2002, (collectively the "Settlement Class").

Susman Godfrey L.L.P. announced today that a settlement (the "Settlement") has been preliminarily approved by the federal court in a class action lawsuit alleging breaches of fiduciary duty under the Employee Retirement Income Security Act ("ERISA") and sales of unregistered EDS stock to the EDS 401(k) Plan (the "Plan") in violation of Section 12(a)(1) and 15 of the Securities Act of 1933 in connection with the Electronic Data Systems Corporation 401(k) Savings Plan. This Settlement will provide for a payment of \$12.5 million to the Plan and former Plan participants (minus Court-approved fees and expenses). The Settlement funds will be allocated to the Settlement Class based on their Plan account holdings in the EDS Company Stock Fund ("Stock Fund") during the settlement class period described above ("Settlement Class Period"). The Settlement also provides for injunctive relief in the form of certain Plan design changes. The injunctive relief has been valued to be worth at least \$19 million.

On May 13, 2008, Hewlett-Packard Company ("HP") and EDS announced a definitive merger agreement under which HP will purchase EDS at a price of \$25.00 per share. The merger is expected to close sometime in the second half of 2008. If this merger is consummated, the EDS Company Stock Fund will become an all cash fund, and certain of the benefits provided by the injunctive relief will be expedited. The cash proceeds in the EDS Company Stock Fund will then be transferred to the Qualified Default Investment Alternative offered by the Plan, and obligations to perform the injunctive relief may be assumed by the successor company and plan to the extent applicable.

If you qualify, you will receive an allocation of the Settlement funds. If you have received a Notice of Class Action Settlement regarding this case by mail or email directly from Plaintiffs' Lead Counsel or EDS, you do not need to send in a claim or take any other action unless you object to the Settlement. If you have not received a Notice of Class Action Settlement regarding this case directly from Plaintiffs' Lead Counsel or EDS, but you believe that you are a member of the Settlement Class, it is essential that you contact Plaintiffs' Lead Counsel at the phone number or address below. Otherwise, you may not be included in the distribution of the Settlement Fund. The United States District Court for the Eastern District of Texas, Tyler Division, authorized this Notice.

THE COURT WILL HOLD A HEARING ON AUGUST 6, 2008 TO DECIDE WHETHER TO APPROVE THE SETTLEMENT.

### **Who Is Included in the Settlement?**

Plan participants. If you were a participant in the Plan (including predecessors to the Plan) for whose individual account the Plan invested in the Stock Fund during the Settlement Class Period, alternate payee, representative, or successor-in-interest to any such participant, you are a member of the Settlement Class, and you may be eligible to receive a payment as a result of the proposed settlement of this lawsuit. You are not eligible if you are a Defendant in this litigation or the Immediate Family, heir, successor, or assign of a Defendant.

### **What Is This Case About?**

This case is about the Plan's investments in EDS stock through the Stock Fund. The Plaintiffs in the case claim that the Defendants were fiduciaries of the Plan and that they violated fiduciary duties owed to EDS employees who were participants in the Plan. The Plaintiffs claim that the Defendants should not have allowed Plan investments in EDS stock between September 7, 1999 and October 9, 2002, and that the Stock Fund should have been eliminated as a Plan investment option. The Plaintiffs also claim that the Defendants sold unregistered shares of EDS stock to the Plan in violation of the federal securities law between October 20, 2001 and November 18, 2002. The Defendants deny that they did anything wrong or caused any loss to the Plan. The Court has not ruled in favor of either side.

The Defendants are EDS Corporation, the Compensation and Benefits Committee and its current and former members, the Investment Committee and its current and former members, the Benefits Administration Committee and its current and former members, William H. Gray, III, Ray J. Groves, C. Robert Kidder, Richard H. (Dick) Brown, David R. Nixon, Elaine Moore, Carl Schwendiman, Layla Mocio, Michael E. Paolucci, Karina L. Pettengill, James E. Daley, Scott J. Krenz, H. Paulette Eberhart, and Myrna Vance, and alleged members Joy Chandler and Kim McMann.

### **How Will the Settlement Money Be Allocated?**

The Settlement Fund will be allocated in proportion to your Plan account losses, if any, from investments in the Stock Fund. If you are a member of the Settlement Class, you may receive a share of the settlement money if your Plan account was invested in EDS stock at any time during the Settlement Class Period, and if your account suffered a loss on that investment. Your share of the net Settlement Fund will be based on your proportionate share of the Plan's alleged losses from investments in the Stock Fund during the Settlement Class Period. To reduce the administrative expenses in implementing the Settlement, there will be no recovery for any member of the Settlement Class who is a former Plan Participant and who no longer holds an account in the Plan whose proportionate share is less than \$10.00.

### **What Fees and Expenses Are Being Sought by the Attorneys?**

A contingent fee and out-of-pocket expenses in an amount to be approved by the Court are being requested by Appointed Counsel. The lawyers have prosecuted this case for Plaintiffs and the Settlement Class on a contingent-fee basis. They will apply to the court for fees of no more than one-third of the cash component of the Settlement, plus reimbursement of money they have paid out of their own pockets to advance the case. The lawyers can only receive compensation for fees and expenses to the extent they are approved by the Court. Members of the Settlement Class may file objections to the attorneys' application for fees and expenses.

### **Are There More Details to the Settlement?**

Yes. The Settlement includes a number of other important details such as provisions concerning (1) releases of claims against the Defendants (2) the method of allocation of the Settlement proceeds to the Settlement Class, (3) conditions to the settlement and (4) Plan design changes.

### **How Do I Get More Information?**

See [www.kellersettlements.com/eds.html](http://www.kellersettlements.com/eds.html) for more information. If you have received a Notice of Class Action Settlement regarding this case by mail or email, you should read that document for more information. It is more detailed than this summary notice. Among other things, it includes a more detailed description of the terms of the Settlement and the Settlement Agreement, a description of the history of the case, an explanation of the reasons for the Settlement and detailed instructions for filing an objection to the Settlement or Appointed Counsel's request for payment of attorneys' fees and expenses. If you did not receive a Notice of Class Action Settlement, you may request one by calling, toll-free, (866) 540-4948. Or, you can request a copy of the Notice of Class Action Settlement via e-mail at: [edserisa@susmangodfrey.com](mailto:edserisa@susmangodfrey.com).

You may contact Plaintiffs' Lead Counsel in writing at:

SUSMAN GODFREY L.L.P.

Barry C. Barnett

Jonathan Bridges

901 Main Street, Suite 5100

Dallas, TX 75202-3775

Copies of the Settlement Agreement, the Notice of Class Action Settlement, and additional information regarding the Settlement, are available at [www.kellersettlements.com/eds.html](http://www.kellersettlements.com/eds.html).

Please do not contact the Court or EDS regarding this Notice of Class Action Settlement.

### **What Are My Options?**

You cannot "opt out" or exclude yourself from the Settlement. You will automatically be included in the Settlement provided you are a member of the Settlement Class. If you want to object to the Settlement, the Appointed Counsel's request for payment of attorneys' fees and expenses, compensation for Named Plaintiffs, or the proposed plan for allocating the Settlement funds, you may file a written objection with the Court postmarked no later than July 28, 2008, as described in the Notice of Class Action Settlement. If you do not want to object to the Settlement, you do not have to do anything.

### **What Happens Next?**

The Court will hold a Fairness Hearing on August 6, 2008. At that hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate, whether to approve the proposed plan for allocating the Settlement Fund, whether to approve payment of attorneys' fees and expenses, and whether to approve payment of Named Plaintiffs' compensation. If there are objections, the Court will consider them. To appear at the Fairness Hearing in person you must file a written objection and a Notice of Intent to Appear with the Court and serve them on the parties as set forth more fully in the Notice of Class Action Settlement. After the Fairness Hearing, the Court will decide whether to approve the Settlement.

### **Contacts**

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