

Former HP Chairman Wanted Out Autonomy Acquisition?

Written by Marco Attard
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The saga of the ill-fated HP acquisition of Autonomy appears to not be over-- a report commissioned by the company reveals how former chairman Ray Lane made a final, failed effort to stop the deal.



The report was written by HP's legal firm, Proskauer Rose LLP, in early 2014, long after [HP had to take an \\$8.8 billion impairment charge](#)

(due to allegedly cooked books) on the software company acquired for \$11.bn. Its revelation comes through documents revealed in August 2015 by a California federal court as part of the ongoing shareholder lawsuit over the deal.

But what does report say? Apparently on 4 September 2011, few days after [announcement of the acquisition](#),

Lane summoned a "special Board meeting of outside directors" to tell "new news this morning that I'm still trying to digest." No minutes of the meeting exist, but the report states "outside directors agreed that Lane would approach Apotheker to ask that he reconsider whether [the] acquisition should be pursued."

This was a sudden shift in attitude from Lane, one of the engineer behind deal. Days later Lane wrote an email to ex-CEO Leo Apotheker saying he was "still haunted by Autonomy itself," before asking Apotheker and HP advisers if a way out of the deal was actually available.

In turn Apotheker simply responded that he was "99% sure" the Autonomy purchase was irreversible.

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The Proskauer report also says Apotheker failed to read a rather important document-- a KPMG LLP analysis of the deal stating Autonomy did not provide revenue recognition, expenses and management forecast details.

However, according to HP such allegations were never passed to the board as the deal was taking place. Just weeks later [Apotheker was kicked out as HP CEO](#) and replaced by Meg Whitman, before the [October 2011 closing of the Autonomy buy](#). [Oct](#)

Lane stepped down as chairman in 2013 and remains on the HP board.

But how does the story end? Well, it's still going on. Legal disputes between HP and Autonomy (not to mention HP and shareholders) continue to trundle along, and HP is still to comment on the most recent revelations. But a question remains... How did the Autonomy acquisition go through an apparently doubtful board?

Go [HP's Then-Chairman Ray Lane Tried to Quash Autonomy Acquisition \(WSJ\)](#)

Go [HP's Ray Lane Tried to Kill Autonomy Deal \(Bloomberg\)](#)