

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933

Release No. 8835 / August 15, 2007

SECURITIES EXCHANGE ACT OF 1934

Release No. 56260 / August 15, 2007

In the Matter of

MERCURY
INTERACTIVE, LLC
(f/k/a MERCURY
INTERACTIVE
CORPORATION),

Respondent.

**ORDER UNDER SECTION 27A(b) OF
THE SECURITIES ACT OF 1933 AND
SECTION 21E(b) OF THE
SECURITIES EXCHANGE ACT OF
1934, GRANTING WAIVERS OF THE
DISQUALIFICATION PROVISIONS
OF SECTION 27A(b)(1)(A)(ii) OF THE
SECURITIES ACT OF 1933 AND
SECTION 21E(b)(1)(A)(ii) OF THE
SECURITIES EXCHANGE ACT OF
1934 AS TO HEWLETT-PACKARD
COMPANY**

Hewlett-Packard Company (“HP”) has submitted a letter, dated July 12, 2007, for a waiver of the disqualification provisions of Section 27A(b)(1)(A)(ii) of the Securities Act of 1933 (“Securities Act”) and Section 21E(b)(1)(A)(ii) of the Securities Exchange Act of 1934 (“Exchange Act”) arising from the settlement by Mercury Interactive, LLC (f/k/a Mercury Interactive Corporation) (“Mercury”) of a civil action against it. Mercury is a wholly-owned subsidiary of HP. On May 31, 2007, the Commission filed a settled federal court action against Mercury in the United States District Court for the Northern District of California. In its complaint, the Commission alleged that Mercury violated (among other provisions) Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Exchange Act Rule 10b-5. Without admitting or denying the allegations, Mercury consented to a final judgment that enjoins it from committing future violations of these (and other) provisions, and orders it to pay a civil penalty in the amount of \$28 million (the “Consent and Final Judgment”).

The safe harbor provisions of Section 27A(c) of the Securities Act and Section 21E(c) of the Exchange Act are not available for any forward-looking statement that is “made with respect to the business or operations of an issuer, if the issuer . . . during the 3-year period preceding the date on which the statement was first made . . . has been made the subject of a judicial . . . order arising out of a government action that . . . prohibits future violations of the antifraud provisions of the federal securities laws.”

Section 27A(b)(1)(A)(ii) of the Securities Act and Section 21E(b)(1)(A)(ii) of the Exchange Act. The disqualifications apply except “to the extent otherwise specifically provided by rule, regulation, or order of the Commission.” Section 27A(b) of the Securities Act and Section 21E(b) of the Exchange Act.

Because the violations alleged in the civil action were committed at Mercury before HP acquired Mercury, and because the civil action does not involve allegations of misconduct by HP or name or seek to add HP as a party for relief or other purposes, or require undertakings by or involving HP as part of the Consent and Judgment, the Commission has determined that HP’s request for a waiver of the disqualifications resulting from the Consent and Final Judgment is appropriate and should be granted.

Accordingly, **IT IS ORDERED**, pursuant to Section 27A(b) of the Securities Act and Section 21E(b) of the Exchange Act, that a waiver from the disqualification provisions of 27A(b)(1)(A)(ii) of the Securities Act and Section 21E(b)(1)(A)(ii) of the Exchange Act as to HP resulting from the entry of the Consent and Final Judgment is hereby granted.

By the Commission.

Nancy M. Morris
Secretary