

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934
Date of Report (Date of earliest event reported): June 30, 2023**

Talkspace, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-39314
(Commission
File Number)

84-4636604
(I.R.S. Employer
Identification No.)

622 Third Ave, New York, NY
(Address of principal executive offices)

10017
(Zip Code)

(212) 284-7206
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.0001 par value per share	TALK	Nasdaq Global Select Market
Warrants to purchase common stock	TALKW	Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 8.01. Other Events

As Talkspace, Inc. (the “Company”) has previously disclosed, in the Annual Report on Form 10-K for the fiscal year ended December 31, 2022 (the “Form 10-K”) and in the Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2023 (the “Form 10-Q”), two shareholders of the Company filed derivative lawsuits asserting claims for violations of federal securities laws, breach of fiduciary duty and aiding and abetting the breaches of fiduciary duty relating to the merger with Hudson Executive Investment Corp. (“HEIC”) among other things and named certain of the Company’s current and former officers and directors as defendants and the Company as a nominal defendant. In September 2022, these lawsuits were consolidated in the United States District Court for the Southern District of New York under the caption *In re Talkspace Stockholder Derivative Litigation*, No. 22-cv-05016 (S.D.N.Y.) (the “Derivative Action”).

On May 18, 2023, the parties to the Derivative Action entered into a Stipulation of Settlement and Release Agreement (the “Stipulation”), which, together with the exhibits annexed thereto, sets forth the terms and conditions for the proposed Settlement and dismissal with prejudice of the Derivative Action (the “Settlement”). Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Stipulation or the Order (defined below).

On June 30, 2023, the court entered an order preliminarily approving the Stipulation and proposed Settlement of the Derivative Action (the “Order”) and scheduling a hearing for August 16, 2023 to determine whether to give final approval to the settlement (the “Settlement Hearing”). Under the proposed Settlement, the Company agreed to implement certain changes to its corporate governance environment as set forth in Exhibit 1 to the Stipulation.

If the court grants final approval to the settlement, the Derivative Action will be dismissed and the defendants will be released from any claims or liability relating to the matters asserted in the Derivative Action. The Company, on behalf of the individual defendants, shall pay or cause to be paid the Fee and Expense Amount to Plaintiffs’ Counsel in the agreed-upon amount of \$550,000. The defendants have not admitted any liability or wrongdoing in connection with the settlement and have entered into the settlement to avoid the costs, risks, distraction, and uncertainties of continued litigation.

A copy of the court-approved summary notice of the proposed settlement of the Derivative Action describing the litigation and the settlement in greater detail and specifying the procedures and deadlines for any stockholder objections is attached to this Current Report on Form 8-K as Exhibit 99.1 and is also available, along with copies of the Order entered by the court and the full stipulation of settlement, on the Company’s investor relations website at <https://investors.talkspace.com/investor-relations/>.

On July 25, 2023, the Company issued a press release announcing the preliminary court approval of the proposed Settlement. A copy of the press release is attached hereto as Exhibit 99.2.

Forward-Looking Statements

This Report on Form 8-K contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. All statements contained in this Report on Form 8-K that do not relate to matters of historical fact should be considered forward-looking, including statements regarding our financial condition, anticipated financial performance, achieving profitability, ability to regain compliance with the Nasdaq listing standards business strategy and plans, market opportunity and expansion and objectives of our management for future operations. These forward-looking statements generally are identified by the words “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “forecast,” “future,” “intend,” “may,” “might,” “opportunity,” “plan,” “possible,” “potential,” “predict,” “project,” “should,” “strategy,” “strive,” “target,” “will,” or “would”, the negative of these words or other similar terms or expressions. The absence of these words does not mean that a statement is not forward-looking. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. Many important factors could cause actual future events to differ materially from the forward-looking statements in this Report on Form 8-K, including but not limited to: our history of losses; the rapid evolution of our business and the markets in which we operate; our ability to continue growing at the rates we have historically grown, or at all; the development of the virtual behavioral health market; COVID-19 and its impact on business and economic conditions; a deterioration in general economic conditions as a result of inflation, increased interest rates or otherwise; competition in our industry; and our relationships with affiliated professional entities to provide physician and other professional services. The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties described under the caption “Risk Factors” in our Annual Report on Form 10-K for the annual period ended December 31, 2022 filed with the Securities and Exchange Commission (“SEC”) on March 10, 2023, and our other documents filed from time to time with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and we assume no obligation and do not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise. We do not give any assurance that we will achieve our expectations.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
99.1	Notice of Proposed Settlement of Stockholder Derivative Action and Settlement Hearing, and Right to Appear.
99.2	Press Release "Talkspace Announces Preliminary Court Approval of Settlement of Stockholder Derivative Action Lawsuit" dated July 25, 2023.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Talkspace, Inc.

Date: July 25, 2023

By: /s/ Jennifer Fulk

Jennifer Fulk
Chief Financial Officer

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT
OF NEW YORK

IN RE TALKSPACE STOCKHOLDER DERIVATIVE
LITIGATION

Master File No. 1:22-cv-05016-PGG

**SUMMARY NOTICE OF PROPOSED SETTLEMENT OF STOCKHOLDER DERIVATIVE ACTION AND
SETTLEMENT HEARING**

**TO: ALL RECORD HOLDERS AND BENEFICIAL OWNERS OF TALKSPACE, INC. (“TALKSPACE” OR THE
“COMPANY”) COMMON STOCK AS OF MAY 18, 2023. PLEASE NOTE THAT THIS ACTION IS A
DERIVATIVE ACTION BROUGHT BY STOCKHOLDERS OF THE COMPANY FOR THE BENEFIT OF
THE COMPANY, AND THERE IS NO CLAIM FORM BECAUSE NO INDIVIDUAL HAS A RIGHT TO BE
COMPENSATED AS A RESULT OF THE SETTLEMENT OF THIS DERIVATIVE ACTION.**

YOU ARE HEREBY NOTIFIED that the parties to the above-captioned stockholder derivative action (the “Derivative Action”) have entered into a Stipulation of Settlement and Release Agreement, dated as of May 18, 2023 (the “Stipulation”) providing the terms and conditions of the proposed Settlement of the Derivative Action (the “Settlement”). All capitalized terms herein have the same meaning as defined in the Stipulation or in the related Notice of Pendency and Proposed Settlement of Stockholder Derivative Action (“Long Form Notice”) attached as Exhibit C thereto. The Stipulation and Long Form Notice describing in greater detail the Derivative Action, the proposed Settlement, and the rights of Current Talkspace Stockholders are available on Talkspace’s Investor Relations webpage at <https://investors.talkspace.com/investor-relations/> and have been filed with the Court.

You have the right to participate in a Settlement Hearing to be held on _____, 2023 at _____, at the Daniel Patrick Moynihan U.S. Courthouse, 500 Pearl Street, New York, NY 10007. At the Settlement Hearing, the Court will consider: (i) whether the Court should approve the Settlement as fair, reasonable, and adequate and in the best interests of Talkspace and Current Talkspace Stockholders pursuant to Federal Rule of Civil Procedure 23.1; (ii) whether to enter a Judgment dismissing the Derivative Action with prejudice and extinguishing and releasing all Released Claims; and (iii) whether the Court should approve the Fee and Expense Amount, and the Service Awards to be drawn therefrom, as well as to consider such other matters as may properly come before the Court.

The Settlement, reached with the substantial assistance and oversight of an experienced mediator, addresses allegations that certain current and former directors and officers of Talkspace breached their fiduciary duties and violated the federal securities laws. As part of the Settlement, the Talkspace Board will implement certain Corporate Governance Changes specifically set forth in Exhibit 1 attached to the Stipulation.

After negotiating the principal terms of the Settlement, Plaintiffs' counsel and Defendants separately negotiated at arm's-length with the assistance of the mediator the amount of attorneys' fees and expenses to be paid to Plaintiffs' counsel, agreeing that subject to Court approval, Talkspace, on behalf of the Defendants, shall pay or cause to be paid the Fee and Expense Amount to Plaintiffs' Counsel in the agreed-upon amount of \$550,000, which shall include all of Plaintiffs' Counsel's attorneys' fees and costs and any Service Awards to Plaintiffs for their participation and efforts in the Derivative Action.

Any Current Talkspace Stockholder as of May 18, 2023, shall have a right to appear and to be heard at the Settlement Hearing. You may enter an appearance before the Court, at your own expense, individually or through counsel of your choice. Any Current Talkspace Stockholder wishing to assert an objection to the Settlement, Judgment, Fee and Expense Amount or Service Awards must, **at least ten (10) days prior to the Settlement Hearing**, (i) file with the Clerk of the Court a written objection setting forth: (a) the nature of the objection, including any legal support for such objection; (b) proof of ownership of Talkspace common stock at the time the Stipulation was executed through the date of the objection date, including the number of shares of Talkspace common stock and the date(s) of purchase; and (c) any documentation in support of such objection; and (ii) if a Current Talkspace Stockholder intends to appear and requests to be heard at the Settlement Hearing, such Current Talkspace Stockholder must have, in addition to the requirements of (i) above, filed with the Clerk of the Court: (a) a written notice of such Current Talkspace Stockholder's intention to appear; (b) a statement that indicates the basis for such appearance; and (c) identities of any witnesses the Current Talkspace Stockholder intends to call at the Settlement Hearing and a statement as to the subject of the testimony of each witness. Any Current Talkspace Stockholder who fails to object in accordance with such procedures will be bound by the Judgment of the Court granting final approval to the Settlement, and shall be deemed to have waived the right to object (including the right to appeal) and forever shall be barred, in this proceeding or in any other proceeding, from raising such objection. Current Talkspace stockholders who have no objection to the Settlement do not need to appear at the Settlement Hearing or take any other action.

Inquiries may be made to Plaintiffs' Co-Lead Counsel: David C. Katz, Weiss Law, 305 Broadway, 7th Floor, New York, NY 10007, telephone: (212) 682-3025, email dkatz@weisslawllp.com; Matthew M. Houston, Glancy Prongay & Murray LLP, 745 Fifth Avenue, Fifth Floor, New York, NY 10151, telephone: (212) 935-7400, email mhouston@glancylaw.com.

PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE REGARDING THIS SUMMARY NOTICE.

DATED: , 2023

BY ORDER OF THE DISTRICT COURT, UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

