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12 *Attorneys for Plaintiff*

13  
14 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
15 **COUNTY OF SANTA CLARA**

**19CV353132**

16 JASON MCLEES, Individually and on )  
17 Behalf of All Others Similarly Situated, )  
18 )  
19 Plaintiff, )

v. )

20 HEWLETT PACKARD ENTERPRISE )  
21 COMPANY; DXC TECHNOLOGY )  
22 COMPANY; RISHI VARNA; TIMOTHY )  
23 C. STONESIFER; JEREMY K. COX; )  
24 MUKESH AGHI; AMY E. ALVING; )  
25 DAVID HERZOG; SACHIN LAWANDE; )  
26 J. MICHAEL LAWRIE; JULIO A. )  
27 PORTALATIN; PETER RUTLAND; )  
28 MANOJ P. SINGH; MARGARET C. )  
WHITMAN; and ROBERT F. WOODS, )  
Defendants. )

Case No. **19CV353132**  
CLASS ACTION  
COMPLAINT FOR VIOLATIONS OF THE  
SECURITIES ACT OF 1933  
DEMAND FOR JURY TRIAL

1 Plaintiff, individually and on behalf of all others similarly situated, alleges the following based  
2 upon personal knowledge as to plaintiff and plaintiff's own acts, and upon information and belief as  
3 to other matters based on the investigation conducted by and through plaintiff's attorneys, which  
4 included, among other things, a review of U.S. Securities and Exchange Commission ("SEC") filings  
5 by Hewlett Packard Enterprise Company ("HPE"), DXC Technology Company ("DXC" or the  
6 "Company"; f/k/a Everett SpinCo, Inc.), and Computer Sciences Corporation, Inc. ("CSC"), as well  
7 as Company press releases and media and analyst reports concerning the Company.

### 8 SUMMARY OF THE ACTION

9 1. This is a securities class action on behalf of all persons who acquired DXC common  
10 stock pursuant to the S-4 registration statement, 424B3 prospectus, and additional materials  
11 incorporated by reference (collectively, the "Registration Statement" or "Offering Materials") issued  
12 in connection with the April 2017 transaction by which HPE's Enterprise Services business segment  
13 was spun off and merged with CSC to form DXC (the "Merger").

14 2. The action asserts strict liability claims under §§ 11, 12, and 15 of the Securities Act  
15 of 1933 ("1933 Act" or "Securities Act") against HPE, DXC, and certain current and former officers  
16 and directors of HPE, DXC, and CSC.

17 3. HPE is a technology company based in Palo Alto, California. In April 2017, HPE  
18 conducted the Merger, spinning off its Enterprise Services business segment, merging it with CSC,  
19 and forming the company now known as DXC. DXC performs information technology consulting  
20 services for businesses nationwide.

21 4. In connection with the Merger, DXC—then known as Everett SpinCo, Inc.—issued  
22 over 140 million new shares of DXC common stock to former CSC shareholders. Each former  
23 shareholder of CSC common stock received one share of new DXC common stock in exchange for  
24 each share of CSC common stock held immediately prior to the Merger. Through this exchange,  
25 former CSC shareholders received 141,298,797 shares of DXC common stock, representing 49.9%  
26 of outstanding DXC common shares). All of these new shares of DXC common stock were  
27 registered, issued, and solicited pursuant to the Offering Materials.

1           5.       The Offering Materials contained untrue statements of material fact and omitted  
2 material facts both required by governing regulations and necessary to make the statements made not  
3 misleading. The Offering Materials are replete with references to purported “net synergies” and other  
4 “strategic and financial benefits” from the Merger, claiming over \$1 billion in immediate “synergies”  
5 as a result of the incoming management team’s detailed “workforce optimization” plan:

6                   The combined company expects that the merger of Everett with CSC  
7 will produce ***first-year synergies of approximately \$1.0 billion***<sup>1</sup> post-  
8 close, with a run rate of \$1.5 billion by the end of year one. The  
9 \$1.0 billion post-close and \$1.5 billion run rate at the end of year one  
10 were each calculated by estimating the expected value of harmonizing  
11 policies and benefits between the two companies, supply chain and  
12 procurement benefits from expected economies of scale such as  
13 volume discounts as well as cost synergies expected from ***workforce  
14 optimization such as elimination of duplicative roles and other  
15 duplicative general, administrative and overhead costs.***

16           6.       The Offering Materials also claimed the Merger would generate more than ***\$7 billion  
17 in increased goodwill***, attributing the increased goodwill to “the synergies expected to be achieved  
18 by combining the businesses of CSC and Everett, expected future contracts . . . [and] cost-saving  
19 opportunities [such as] ***improved operating efficiency and asset optimization.***”

20           7.       The Offering Materials further highlighted the purported “increased scale” of the  
21 combined company, representing that the “strategic combination of the two complementary  
22 businesses will create one of the world’s largest pure-play IT services companies, uniquely positioned  
23 to lead clients on their digital transformations[, with the] new company expect[ed] to have ***annual  
24 revenues of \$26 billion*** and more than 5,000 clients in 70 countries.”

25           8.       At the same time, the Offering Materials downplayed the “cost reduction” portion of  
26 DXC’s “turnaround plan,” claiming that this plan would serve only to “***align [DXC’s] costs with its  
27 revenue trajectory***” and complement sales initiatives. The Offering Materials, moreover, emphasized  
28 DXC’s ability “to attract and ***retain highly motivated people with the skills necessary to serve their  
customers,***” representing that DXC would continue to “hire, train, motivate and effectively utilize

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<sup>1</sup> Throughout the complaint, bolded text is added for emphasis.

1 employees with the right mix of skills and experience . . . to meet the needs of its clients,” such that,  
2 “with *a collective workforce of approximately 178,000 employees*, the size and scale of the combined  
3 company *will enhance its ability to provide value to its customers through a broader range of*  
4 *resources and expertise to meet their needs.*”

5 9. The Offering Materials’ representations, financial metrics, and purported risk  
6 disclosures were false and misleading because they failed to disclose that Defendants’ planned  
7 “workforce optimization” plan was, in truth, earnings management in disguise. Defendants would  
8 impose arbitrary quotas that resulted in the termination of tens of thousands of workers, selectively  
9 timed to artificially inflate reported earnings over the short term and present misleadingly inflated  
10 quarterly and yearly financial reports to boost the stock price ahead of insider sales, including by  
11 Defendant Lawrie, who exercised stock options to gain millions in personal profits. At the time of  
12 the Merger, Defendant Lawrie’s own internal forecasts reflected *a planned \$2.7 billion workforce*  
13 *reduction in the first year*—nearly triple the \$1 billion in total “synergies” represented in the Offering  
14 Materials. The foreseeable impact of these severe, undisclosed cuts and firings was that DXC could  
15 not deliver on its client contracts and client satisfaction plummeted along with employee capacity and  
16 morale, rendering the financial metrics in the Offering Materials false and unrealistic. As Stephen J.  
17 Hilton, DXC’s former Executive Vice President and Head of Global Delivery, later admitted, DXC’s  
18 drastic cost-cutting measures were “*disastrous for DXC’s long-term revenue.*”

19 10. Defendants were required to disclose these material facts regarding their post-Merger  
20 business plan in the Offering Materials for at least three independent reasons. First, SEC Regulation  
21 S-K, 17 C.F.R. § 229.303 (“Item 303”), required disclosure of any known events or uncertainties that  
22 had caused or were reasonably likely to cause DXC’s disclosed financial information not to be  
23 indicative of future operating results. Defendants’ undisclosed plans for quota-driven firings of tens  
24 of thousands of employees, selectively timed to manipulate earnings disclosures and inflate insider  
25 sales, targeted the most knowledgeable, longer-tenured (and hence more expensive) senior personnel.  
26 The consequent lack of experienced and essential employees rendered DXC unable to perform its  
27 contracts, causing a reasonably foreseeable backlash from dissatisfied customers that materially and  
28

1 adversely affected DXC’s earnings and prospects.

2 11. Second, SEC Regulation S-K, 17 C.F.R. § 229.503 (“Item 503”), required, in the “Risk  
3 Factor” section of the Offering Materials, (a) a discussion of the most significant factors that made  
4 the offering risky or speculative and (b) an adequate description of each risk factor. The Offering  
5 Materials’ discussion of risk factors did not mention the likely risks and impact of the cost-cutting  
6 and earnings management measures described above.

7 12. Third, Defendants’ failure to disclose these planned cost-cutting and earnings  
8 management measures, and their likely impact, rendered false and misleading the Offering Materials’  
9 many references to known risks that, “*if*” they occurred, “*may*” or “*could*” affect the Company. These  
10 “risks” were, in truth, already near certainties at the time of the Merger.

11 13. With the material misrepresentations and omissions in the Offering Materials,  
12 Defendants were able complete the Merger. But as the truth emerged, the price of DXC shares  
13 declined substantially. As of the filing of this action, DXC shares have traded below \$31 per share—  
14 a nearly 50% decline from the approximately \$59 share price on the exchange date for the Merger.  
15 Investors have thus suffered considerable losses as a result of Defendants’ misconduct and seek to  
16 recover their losses through this action.

17 **JURISDICTION AND VENUE**

18 14. This Court has original subject matter jurisdiction under the California Constitution,  
19 Article VI, Section 10. Removal is barred by Section 22 of the 1933 Act.

20 15. This Court has personal jurisdiction and venue is proper in this county under California  
21 Code of Civil Procedure § 410.10 because certain Defendants are headquartered or otherwise reside  
22 within California and this county, Defendants drafted the Offering Materials in part in this county,  
23 Defendants and their agents affirmatively solicited the subject securities and Offering Materials and  
24 disseminated the alleged false and misleading statements and omissions to investors in California and  
25 this county, and those contacts with California are substantially connected to the claims asserted in  
26 this complaint.

27 16. This Court is a proper venue under California Code of Civil Procedure § 395.

1 **PARTIES**

2 17. Plaintiff Jason McLees acquired new DXC shares via the Merger, in exchange for CSC  
3 shares, pursuant to the Offering Materials and was damaged as a result.

4 18. Defendant HPE is a technology company incorporated under the laws of Delaware and  
5 headquartered in Palo Alto, California. In connection with the Merger, HPE spun off its Enterprise  
6 Services business segment, merging it with CSC to form DXC. HPE orchestrated, negotiated, and  
7 controlled the Merger. Before the Merger, HPE was the sole controlling shareholder of DXC. After  
8 the Merger, HPE shareholders held a controlling majority (approximately 50.1%) of the outstanding  
9 common shares of DXC. HPE exercised its control over DXC and the Merger by designating HPE  
10 employee representatives as officers and directors of DXC, who, within the scope of their  
11 employment with HPE, reviewed, contributed to, signed, or agreed to be named as incoming officer  
12 and director designees in the Registration Statement.

13 19. Defendant DXC is a technology company formed from the merger of HPE’s Enterprise  
14 Services business with CSC. DXC is incorporated under the laws of Delaware, and, at the time of  
15 the Merger, was headquartered in Palo Alto, California. DXC’s common stock trades on the NYSE  
16 Stock Exchange under the ticker symbol “DXC.”

17 20. Defendant Rishi Varna is, and at all relevant times has been, an employee and General  
18 Counsel to HPE. At the time of the Merger, in his capacity as an employee representative of HPE,  
19 he served as DXC’s President, Secretary, and Principal Executive Officer, and as a Director on the  
20 DXC Board. In his capacity as an employee representative of HPE, he reviewed, contributed to, and  
21 signed the Registration Statement.

22 21. Defendant Timothy C. Stonesifer was, at all relevant times, the Chief Financial Officer  
23 (“CFO”) of HPE. At the time of the Merger, in his capacity as an employee representative of HPE,  
24 he served as DXC’s CFO and as a Director on the DXC Board. In his capacity as an employee  
25 representative of HPE, he reviewed, contributed to, and signed the Registration Statement.

26 22. Defendant Jeremy K. Cox served, at the time of the Merger, as a Director on the DXC  
27 Board. He reviewed, contributed to, and signed the Registration Statement.

1           23.     Defendant Mukesh Aghi is named in the Registration Statement as an incoming DXC  
2 Director. He reviewed and contributed to the Registration Statement.

3           24.     Defendant Amy E. Alving is named in the Registration Statement as an incoming  
4 Director. She reviewed and contributed to the Registration Statement.

5           25.     Defendant David Herzog is named in the Registration Statement as an incoming DXC  
6 Director. He reviewed and contributed to the Registration Statement.

7           26.     Defendant Sachin Lawande is named in the Registration Statement as an incoming  
8 DXC Director. He reviewed and contributed to the Registration Statement.

9           27.     Defendant J. Michael Lawrie is named in the Registration Statement as the incoming  
10 Chairman of the DXC Board, as well as the incoming President and Chief Executive Officer of DXC.  
11 Defendant Lawrie is the former President and Chief Executive officer of CSC. He reviewed and  
12 contributed to the Registration Statement.

13          28.     Defendant Julio A. Portalatin is named in the Registration Statement as an incoming  
14 DXC Director. He reviewed and contributed to the Registration Statement.

15          29.     Defendant Peter Rutland is named in the Registration Statement as an incoming DXC  
16 Director. He reviewed and contributed to the Registration Statement.

17          30.     Defendant Manoj P. Singh is named in the Registration Statement as an incoming  
18 DXC Director. He reviewed and contributed to the Registration Statement.

19          31.     Defendant Margaret C. Whitman is named in the Registration Statement as an  
20 incoming DXC Director. At the time of the Merger, she was the President and Chief Executive  
21 Officer of HPE. In her capacity as CEO and employee representative of HPE, she reviewed,  
22 contributed to, and was named as an incoming DXC Director in, the Registration Statement.

23          32.     Defendant Robert F. Woods is named in the Registration Statement as an incoming  
24 DXC Director. He reviewed and contributed to the Registration Statement.

25          33.     The Defendants named in ¶¶ 20-33 are referred to herein as the “Individual  
26 Defendants.” Each Individual Defendant signed or was identified as current or incoming director (or  
27 person performing similar functions) in the Registration Statement, solicited the purchase of securities  
28

1 issued pursuant thereto, planned and contributed to the Merger and Offering Materials, and attended  
2 promotional events to meet with and present favorable information to HPE and CSC investors.

3 **DEFENDANTS' FALSE AND MISLEADING**  
4 **REGISTRATION STATEMENT AND PROSPECTUS**

5 34. On November 2, 2016, Defendants filed with the SEC on Form S-4 a draft Registration  
6 Statement that would register the DXC shares to be issued and exchanged in the Merger with CSC.  
7 Defendants' filing included amendments in response to SEC comments, including comments from  
8 the SEC stressing the importance of adequately disclosing material trends and risk factors as required  
9 by Regulation S-K.

10 35. On February 2, 2017, Defendant Lawrie conducted an earnings conference call with  
11 CSC analysts and investors, during which Lawrie addressed the upcoming Merger and the "detailed  
12 plans" for the new Company, including as follows:

13 We continue to hold regular premerger integration summits to bring  
14 together the leaders of both organizations. Our focus has been on  
15 developing our operating model, building a one company culture,  
16 creating an optimal go-to-market strategy, and preparing detailed plans  
17 for synergies and value capture.

18 \*\*\*

19 Listen, I think we are pretty deeply into the planning process on this.  
20 So, I'd say our conviction, my conviction is stronger, having gone  
21 through it. When I say stronger, *we've been able to now get to specific*  
22 *plans and specific actions* and so on and so forth. So, my overall  
23 conviction certainly has grown as we've gone through this thought  
24 process.

25 36. On February 24, 2017, Defendants filed a final amendment to the Registration  
26 Statement. The SEC declared the Registration Statement effective on February 27, 2017.

27 37. On February 27, 2017, Defendants filed a prospectus on Form 424B3 for the DXC  
28 shares ultimately issued and exchanged in the Merger, which prospectus forms part of the Registration  
Statement or Offering Materials as referred to herein.

38. On March 31, 2017, in connection with the Merger, HPE spun off its Enterprise  
Services business segment, which was accomplished by first a separation of the segment into a wholly

1 owned HPE subsidiary (then known as Everett SpinCo, Inc., but later renamed DXC), and then a *pro*  
2 *rata* distribution of all issued and outstanding common stock of the subsidiary to HPE shareholders  
3 as of the close of business on March 20, 2017, the record date for the *pro rata* distribution. Thus, the  
4 former HPE subsidiary became an independent public company known as DXC.

5 39. On April 1, 2017, Defendants completed the Merger, with DXC issuing approximately  
6 141 million new shares of DXC common stock directly to former shareholders of CSC. Each of these  
7 new shares of DXC common stock was issued pursuant to the Registration Statement.

8 40. On April 3, 2017, DXC common stock began trading on the NYSE at approximately  
9 \$59 per share.

10 41. Defendants effected the Merger pursuant to Offering Materials which contained untrue  
11 statements of material fact and omitting material facts both required by governing regulations and  
12 necessary to make the statements made not misleading.

13 42. The Offering Materials repeatedly reference purported “net synergies” and other  
14 “strategic and financial benefits” to be realized via the Merger, specifically claiming over a \$1 billion  
15 in immediate year-one “synergies” as a result of the incoming management team’s detailed  
16 “workforce optimization” plan. The Offering Materials state, in part, that the Merger would yield  
17 “approximately \$1.0 billion post-close, with a run rate of \$1.5 billion by the end of year one,” by  
18 virtue of “workforce optimization such as elimination of duplicative roles,” among other business  
19 shifts.

20 43. The Offering Materials also tout more than \$7 billion in increased goodwill from the  
21 Merger, attributing the increase in part to “synergies” from “cost-saving opportunities [such as]  
22 improved operating efficiency and asset optimization.”

23 44. The Offering Materials emphasize the “increased scale” of the combined company,  
24 claiming the “strategic combination of the two complementary businesses will create one of the  
25 world’s largest pure-play IT services companies, uniquely positioned to lead clients on their digital  
26 transformations[, with the] new company expect to have annual revenues of \$26 billion and more  
27 than 5,000 client in 70 countries.”

1           45.     As for the “cost reduction” portion of DXC’s “turnaround plan,” the Offering  
2 Materials state that the plan would “align [DXC’s] costs with its revenue trajectory” and complement  
3 “initiatives to improve execution in sales performance and accountability . . . .” Further, the Offering  
4 Materials emphasize DXC’s intent and ability “to attract and retain highly motivated people with the  
5 skills necessary to serve their customers,” and that DXC would continue to “hire, train, motivate and  
6 effectively utilize employees with the right mix of skills and experience . . . to meet the needs of its  
7 clients.” In consequence, “with a collective workforce of approximately 178,000 employees, the size  
8 and scale of the combined company will enhance its ability to provide value to its customers through  
9 a broader range of resources and expertise to meet their needs.”

10           46.     The foregoing representations, financial metrics, and purported risk disclosures were  
11 false and misleading. They failed to disclose that Defendants’ planned “workforce optimization” plan  
12 was in fact a top-down system of arbitrary quotas that would slash tens of thousands of Company  
13 jobs. These workforce reductions targeted longer-tenured, knowledgeable, and more highly  
14 compensated senior personnel. The terminations were selectively timed to artificially inflate reported  
15 earnings over the short term and allow misleading quarterly and yearly financial reports to boost the  
16 stock price ahead of sales by insiders, including Defendant Lawrie, who exercised stock options to  
17 gain millions in personal profits. At the time of the Merger, Lawrie’s internal forecasts reflected  
18 plans for a \$2.7 billion workforce reduction in the first year—nearly triple the \$1 billion in total  
19 “synergies” represented in the Offering Materials. The foreseeable impact of these severe, yet  
20 undisclosed, cuts was that DXC would be (and in fact was) unable to deliver on its client contracts,  
21 decreasing client satisfaction and employee capacity and morale. As later admitted by DXC’s former  
22 Executive Vice President and Head of Global Delivery, Stephen J. Hilton, who reported directly to  
23 Defendant Lawrie before and after the Merger, DXC’s layoff initiative proved “*disastrous for DXC’s*  
24 *long-term revenue.*”

25           47.     For at least three independent reasons, Defendants were required to disclose the  
26 material facts regarding its cost-cutting plans in the Offering Materials. First, Item 303 required  
27 disclosure of any known events or uncertainties that had caused or were reasonably likely to cause  
28

1 DXC's disclosed financial information not to be indicative of future operating results. Defendants'  
2 undisclosed plan for quota-driven firings of tens of thousands of employees, selectively timed to  
3 manipulate earnings and boost insider sales, and targeted at the most knowledgeable, longer-tenured  
4 (and thus more expensive) senior personnel, was reasonably likely to cause DXC's disclosed  
5 financials not to be indicative of future results. The firings hollowed out the Company, eliminating  
6 its most experienced and essential employees. As a result, the Company was unable to perform its  
7 contracts, resulting in lost business from dissatisfied customers. These consequences were readily  
8 foreseeable at the time of the Merger given the Company's specific but undisclosed plan, it was  
9 apparent that their impact would be material, and implementation of Defendants' planned workforce  
10 reductions and cost cutting would materially and adversely affect the Company's future results and  
11 prospects.

12 48. Second, Item 503 required, in the "Risk Factor" section of the Offering Materials, a  
13 discussion of the most significant factors that make the offering risky or speculative and that each  
14 risk factor adequately describe the risk. The Offering Materials' discussion of risk factors did not  
15 mention the risks posed by Defendants' plan for quota-driven firings of tens of thousands of  
16 employees, targeting the most experienced employees in particular, as described above.

17 49. Third, Defendants' failure to disclose these planned cost-cutting measures, or their  
18 likely impact, rendered false and misleading the Offering Materials' many references to known risks  
19 that, "*if*" they occurred, "*may*" or "*could*" affect the Company. The business downturn from  
20 Defendants' plan to terminate thousands of its most valuable employees posed known risks that *would*  
21 almost certainly arise from execution of the plan. Defendants' undisclosed plan was already in place  
22 and at the ready by the time of the Merger.

23 50. With the foregoing material misrepresentations and omissions in the Offering  
24 Materials, Defendants were able to complete the Merger.

#### 25 **POST-MERGER FACTS DEMONSTRATING MATERIALITY**

26 51. The price of DXC stock suffered sharp declines as the existence and consequences of  
27 its severe cost-cutting and earnings management plan, and thus the fact of Defendants' material  
28

1 misrepresentations and omissions, gradually emerged across a series of partial disclosures, including  
2 but not limited to SEC filings, Company admissions, analyst and market reports, civil actions  
3 commenced by former DXC executives, and quotes from former and current employees that leaked  
4 to the media and other sources.

5 52. For example, on October 24, 2018, an article in *The Register* reported the firing of a  
6 senior DXC executive and quoted a DXC insider as stating the Company was “descending into  
7 turmoil.” In response, the Company filed a Form 8-K publicly downplaying the news and reiterating  
8 its previous financial guidance.

9 53. On November 6, 2018, DXC filed another Form 8-K, disclosing that DXC had suffered  
10 an 8% year-over-year decline in revenue, with a shortfall of more than \$440 million. Over the  
11 following weeks, the price of DXC stock decline in response: By December 24, 2018, DXC stock  
12 closed at \$50.03 per share, **a decline of nearly 20%** from the approximately \$59 share price on the  
13 Merger exchange date.

14 54. On February 6, 2019, DXC’s former Executive Vice President and Head of Global  
15 Delivery, Stephen J. Hilton, who had reported directly to Defendant Lawrie before and after the  
16 Merger, filed a civil complaint in the Southern District of New York detailing how Defendants  
17 planned DXC’s severe (yet undisclosed) layoff and earnings manipulation effort **before the Merger**.  
18 Hilton further alleged that, despite being warned about the severe negative consequences that would  
19 follow from the plan, Defendant Lawrie had focused so extensively on cutting costs and firing  
20 thousands of employees in order to drive up short-term financial numbers that DXC was dangerously  
21 impaired in its ability to deliver contractually required services to its clients. Hilton’s complaint notes  
22 that the pace and severity of DXC’s massive layoffs had foreseeable “negative impacts on customer  
23 satisfaction” and were “disastrous for DXC’s long-term revenue.”

24 55. Then, on August 9, 2019, DXC announced, *inter alia*, severely reduced full-year  
25 earnings and revenue guidance. On this news, the price of DXC shares plummeted by over 30%.

26 56. By the commencement of this action, DXC shares have traded below \$31 per share, a  
27 nearly 50% decline from the approximately \$59 price per share on the exchange date for the Merger.

28

1 **CLASS ACTION ALLEGATIONS**

2 57. Plaintiff brings this action as a class action under California Code of Civil Procedure  
3 § 382 on behalf of all persons and entities who acquired DXC common stock pursuant to the Offering  
4 Materials (the “Class”). Excluded from the Class are Defendants and their families, the officers and  
5 directors and affiliates of Defendants at all relevant times, members of their immediate families and  
6 their legal representatives, heirs, successors or assigns, and any entity in which Defendants have or  
7 had a controlling interest.

8 58. The members of the Class are so numerous that joinder of all members is  
9 impracticable. While the exact number of Class members is unknown to plaintiff at this time and can  
10 only be ascertained through appropriate discovery, Plaintiff believes that there are hundreds of  
11 members in the proposed Class. Members of the Class may be identified from records maintained by  
12 DXC or its transfer agent and may be notified of the pendency of this action by mail, using a form of  
13 notice similar to that customarily used in securities class actions.

14 59. Plaintiff’s claims are typical of the claims of the Class members, all of whom are  
15 similarly affected by Defendants’ wrongful conduct in violation of federal law that is complained of  
16 herein.

17 60. Plaintiff will fairly and adequately protect the interests of the Class and has retained  
18 counsel competent and experienced in class and securities litigation.

19 61. Common questions of law and fact exist as to all members of the Class and  
20 predominate over any questions solely affecting individual members of the Class. Among the  
21 questions of law and fact common to the Class are:

- 22 (a) whether Defendants violated the Securities Act;
- 23 (b) whether the Offering Materials were negligently prepared and contained  
24 inaccurate statements and omissions of material fact required to be stated therein; and
- 25 (c) to what extent the members of the Class have sustained damages and the  
26 proper measure of damages.

27 62. A class action is superior to all other available methods for the fair and efficient  
28

1 adjudication of this controversy. Joinder of all members is impracticable, and the damages suffered  
2 by individual Class members are relatively small as compared with Defendants' combined resources.  
3 Class treatment will permit a large number of similarly situated persons to prosecute their common  
4 claims in a single forum simultaneously, efficiently, and without the unnecessary duplication of  
5 evidence, effort, and expense that numerous individual actions would engender. The benefits of  
6 proceeding through the class mechanism, including providing injured persons and entities with a  
7 means of obtaining redress on claims that might not be practicable to pursue individually,  
8 substantially outweigh any difficulties that may arise in the management of this class action.

9 **FIRST CAUSE OF ACTION**

10 **For Violation of § 11 of the Securities Act**  
11 **Against All Defendants**

12 63. Plaintiff incorporates all the foregoing by reference.

13 64. This Cause of Action is brought pursuant to § 11 of the Securities Act, 15 U.S.C. §  
14 77k, on behalf of the Class, against each of the Defendants.

15 65. The Registration Statement contained untrue statements of material fact, omitted to  
16 state other facts necessary to make the statements made not misleading, and omitted to state material  
17 facts required to be stated therein.

18 66. None of the Defendants named herein made a reasonable investigation or possessed  
19 reasonable grounds for the belief that the statements contained in the Registration Statement were  
20 true and free from omissions of any material facts and were not misleading.

21 67. By reason of the conduct herein alleged, each Defendant is liable to Plaintiff and Class  
22 members for having violated, or controlled an employee who violated, § 11 of the Securities Act.

23 68. Plaintiff acquired DXC shares via the Merger pursuant to the Offering Materials and  
24 without knowledge of the untruths and omissions contained therein.

25 69. Plaintiff and the Class have sustained damages. The value of DXC common stock has  
26 declined substantially subsequent to and due to Defendants' violations.

27 70. This claim is brought within one year after the discovery of the untrue statements and  
28 omissions at issue and within three years of the date of the offering.



1 pursuant to the prospectus and sustained substantial damages in connection with their purchases of  
2 the stock. Accordingly, Plaintiff and the other members of the Class who hold the common stock  
3 issued pursuant to the Offering Materials, have the right to rescind and recover the consideration paid  
4 for their shares, and hereby tender their DXC common stock to Defendants. Class members who  
5 have sold their DXC common stock seek damages, disgorgement, and additional remedies to the  
6 extent permitted in equity or at law.

7 79. This claim is brought within one year after the discovery of the untrue statements and  
8 omissions at issue and within three years of the date of sale to Plaintiff and Class members.

9 **THIRD CAUSE OF ACTION**

10 **For Violation of § 15 of the Securities Act**  
11 **Against All Defendants**

12 80. Plaintiff incorporates all the foregoing by reference.

13 81. This Cause of Action is brought pursuant to § 15 of the Securities Act, 15 U.S.C. §  
14 77o, against each of the Individual Defendants.

15 82. The Individual Defendants were controlling persons of DXC or HPE by virtue of their  
16 positions as directors or senior officers of DXC, HPE, and CSC. The Individual Defendants each had  
17 a series of direct or indirect business or personal relationships with other directors or officers or major  
18 shareholders of DXC, HPE, and CSC. DXC controlled the Individual Defendants and all of DXC's  
19 employees. HPE orchestrated, negotiated, and controlled DXC and the Merger. Before the Merger,  
20 HPE was the sole controlling shareholder of DXC. After the Merger, HPE shareholders held a  
21 controlling majority (approximately 50.1%) of the outstanding common shares of DXC. HPE  
22 exercised its control over DXC and the Merger by designating HPE employee representatives as  
23 officers and directors of DXC, and controlled those Individual Defendants, who, within the scope of  
24 their employment with HPE, reviewed, contributed to, signed, or agreed to be named as incoming  
25 officer and director designees in the Offering Materials.

26 83. By reason of such wrongful conduct, the Individual Defendants were each culpable  
27 participants in the violations of §§ 11 and 12(a)(2) of the Securities Act alleged above, and thus also  
28 liable pursuant to § 15 of the Securities Act.

1 **PRAYER FOR RELIEF**

2 WHEREFORE, Plaintiff prays for relief and judgment, as follows:

3 A. Under California Code of Civil Procedure § 382, certifying this class action,  
4 appointing plaintiff as a Class representative, and appointing plaintiff's counsel as Class Counsel;

5 B. Awarding damages in favor of Plaintiff and the Class against all Defendants,  
6 jointly and severally, in an amount to be proven at trial, including interest thereon;

7 C. Awarding Plaintiff and the Class their reasonable costs and expenses incurred  
8 in this action, including counsel fees and expert fees;

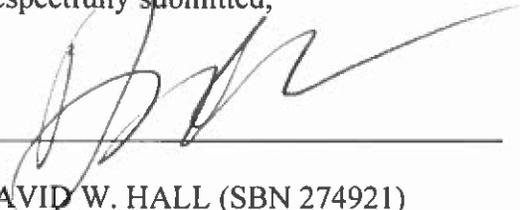
9 D. Awarding rescission, disgorgement, or such other equitable or injunctive relief  
10 as deemed appropriate by the Court.

11 **JURY DEMAND**

12 Plaintiff demands trial by jury.

13 DATED: August 20, 2019

14 Respectfully submitted,

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