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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SANTA CLARA

JASON MCLEES, Individually and on Behalf of All Others Similarly Situated,

Plaintiff,

v.

HEWLETT PACKARD ENTERPRISE COMPANY; DXC TECHNOLOGY COMPANY; RISHI VARNA; TIMOTHY C. STONESIFER; JEREMY K. COX; MUKESH AGHI; AMY E. ALVING; DAVID HERZOG; SACHIN LAWANDE; J. MICHAEL LAWRIE; JULIO A. PORTALATIN; PETER RUTLAND; 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

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

SUMMARY OF THE ACTION

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

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

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

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

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

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

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

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

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

[1] Throughout the complaint, bolded text is added for emphasis.

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

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

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

adversely affected DXC's earnings and prospects.

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

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

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

JURISDICTION AND VENUE

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

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

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

PARTIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

DEFENDANTS' FALSE AND MISLEADING REGISTRATION STATEMENT AND PROSPECTUS

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

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

> We continue to hold regular premerger integration summits to bring together the leaders of both organizations. Our focus has been on developing our operating model, building a one company culture, creating an optimal go-to-market strategy, and preparing detailed plans for synergies and value capture.
>
> ***
>
> Listen, I think we are pretty deeply into the planning process on this. So, I'd say our conviction, my conviction is stronger, having gone through it. When I say stronger, ***we've been able to now get to specific plans and specific actions*** and so on and so forth. So, my overall conviction certainly has grown as we've gone through this thought process.

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

37. On February 27, 2017, Defendants filed a prospectus on Form 424B3 for the DXC 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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

POST-MERGER FACTS DEMONSTRATING MATERIALITY

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

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

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

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

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

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

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

CLASS ACTION ALLEGATIONS

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

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

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

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

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

(a) whether Defendants violated the Securities Act;

(b) whether the Offering Materials were negligently prepared and contained inaccurate statements and omissions of material fact required to be stated therein; and

(c) to what extent the members of the Class have sustained damages and the proper measure of damages.

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

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

FIRST CAUSE OF ACTION

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

63. Plaintiff incorporates all the foregoing by reference.

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

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

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

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

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

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

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

71. By virtue of the foregoing, Plaintiff and Class members are entitled to damages under § 11, as measured by the provisions of § 11(e), as well as any and all remedies that may exist in equity or at law.

SECOND CAUSE OF ACTION

For Violation of § 12(a)(2) of the Securities Act Against All Defendants

72. Plaintiff incorporates all the foregoing by reference.

73. This Cause of Action is brought pursuant to § 12(a)(2) of the Securities Act, 15 U.S.C. § 77*l*(a)(2), on behalf of the Class, against each of the Defendants.

74. By means of the prospectus, Defendants promoted, solicited, and sold DXC shares to Plaintiff and Class members. Defendants were sellers to and direct solicitors of purchasers of the Company's securities offered pursuant to the offering. Defendants issued, caused to be issued, or signed the prospectus in connection with the offering, used it to directly induce investors, such as Plaintiff and the other Class members, to purchase the Company's shares.

75. The prospectus contained untrue statements of material fact and concealed and failed to disclose material facts, as detailed above. Defendants' acts of solicitation included participating in the preparation, dissemination, and promotion of the false and misleading prospectus directly to Plaintiff and Class members.

76. Defendants owed Plaintiff and Class members the duty to make a reasonable and diligent investigation of the statements contained in the prospectus to ensure that such statements were true and that there was no omission to state a material fact required to be stated in order to make the statements contained therein not misleading. Defendants, in the exercise of reasonable care, should have known of the misstatements and omissions contained in the Offering Materials as set forth above.

77. Plaintiff did not know, nor in the exercise of reasonable diligence could have known, of the untruths and omissions contained in the prospectus at the time Plaintiff acquired DXC shares.

78. By reason of the conduct alleged herein, Defendants violated § 12(a)(2) of the Securities Act. As a result of such violations, Plaintiff and Class members received DXC shares

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

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

THIRD CAUSE OF ACTION

For Violation of § 15 of the Securities Act
Against All Defendants

80. Plaintiff incorporates all the foregoing by reference.

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

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

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

PRAYER FOR RELIEF

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

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

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

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

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

JURY DEMAND

Plaintiff demands trial by jury.

DATED: August 20, 2019

Respectfully submitted,

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