

DXC Wins \$666M Award Against Hewlett Packard Enterprise

By **Rachel Graf**

Law360 (August 21, 2019, 3:32 PM EDT) -- Information technology services company DXC Technology won a \$666 million arbitration award in proceedings against Hewlett Packard Enterprise Co. stemming from a 2017 transaction, according to a Tuesday filing with the U.S. Securities and Exchange Commission.

DXC Technology, which was created when HPE spun off its enterprise services business and merged it with Computer Sciences Corp. in 2017, served HPE with an arbitration demand last year. DXC Technology claimed the company was on the hook for any "long-term capitalized lease obligations" within its enterprise services business worth more than \$250 million, and that the lease obligations in question were worth roughly \$1 billion, according to SEC filings.

An arbitration panel issued the award Aug. 15, according to the filings. The award included \$631.8 million in damages and \$34.3 million in preaward interest. The award also includes post-award interest at 3% a year, compounding quarterly until it is paid.

HPE was "disappointed with the ruling," but didn't expect the award to impact adjusted earnings per share or free cash flow for 2019, according to its SEC filing.

Latham & Watkins LLP, representing DXC, declined to provide additional information about the dispute.

"While the arbitration result has been publicly disclosed, the arbitration proceeding is otherwise confidential," the firm said in a statement. "We are pleased to have obtained this outcome for DXC."

HPE declined to comment.

DXC was represented by Jamie Wine, Abid Qureshi and Douglas Yatter of Latham.

Counsel information for HPE was not available Wednesday.

--Editing by Abbie Sarfo.

Update: This story has been updated with a response from HPE.