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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN FRANCISCO

BTIG, LLC,

Plaintiff,

v.

STONEX GROUP INC. and STONEX
FINANCIAL INC.,

Defendants.

Case No. _____

COMPLAINT FOR:

- (1) VIOLATION OF CAL. UNIFORM
TRADE SECRETS ACT, CAL. CIVIL
CODE § 3426, ET SEQ.
(2) TORTIOUS INTERFERENCE WITH
CONTRACT
(3) BREACH OF CONTRACT
(4) FRAUD
(5) FRAUDULENT CONCEALMENT
(6) FRAUDULENT INDUCEMENT
(7) CONVERSION
(8) UNJUST ENRICHMENT/QUANTUM
MERUIT
(9) DECLARATORY JUDGMENT**

JURY TRIAL DEMANDED

REDACTED

PUBLIC – REDACTS MATERIALS
FROM CONDITIONALLY SEALED
RECORD

1 Plaintiff BTIG, LLC (“BTIG” or “Plaintiff”) brings this Complaint against Defendants
2 StoneX Group Inc. and StoneX Financial, Inc. (together, “StoneX” or “Defendants”) and alleges as
3 follows:

4 **INTRODUCTION**

5 1. Plaintiff BTIG brings this action to put an end to one of the greatest financial-
6 industry trade secret frauds in recent history. Defendant StoneX recruited a team of BTIG traders
7 and software engineers to exfiltrate BTIG software code and proprietary information and take it to
8 StoneX. It did so to bolster StoneX’s own trading programs in knowing violation of the employees’
9 obligations to protect BTIG’s proprietary and trade secret information. StoneX used the code as
10 well as other proprietary and confidential BTIG information supplied by the former BTIG
11 employees to build competing products and business lines that generate tens of millions of dollars
12 annually on the back of BTIG intellectual property that BTIG spent years developing. Meanwhile,
13 StoneX engaged in a campaign of deceit and misrepresentation to conceal the theft, which
14 continued until a whistleblower stepped forward. Evidence from the whistleblower and a third-
15 party forensic evaluation of a small portion of the relevant code has confirmed that proprietary
16 BTIG software code appears verbatim in StoneX’s product code base.

17 2. BTIG is a San Francisco-based, global financial services firm specializing in
18 investment banking, institutional trading, research, and related brokerage services. To service its
19 customers, execute orders quickly and efficiently, make markets, and accurately price securities,
20 BTIG has developed a suit of sophisticated, bespoke software programs, sophisticated trading
21 algorithms, methodologies, functionalities, and reams of market information. These trade secrets
22 and proprietary information have been built, expanded, developed, and improved constantly over a
23 decade by large teams of BTIG traders and software developers, including BTIG’s technology
24 architect and software development team in San Francisco, California.

25 3. Many of BTIG’s business and trading lines at issue in this action are highly
26 specialized, with less than a handful of top-level competitors in the marketplace. BTIG’s
27 sophisticated software and algorithms and deep cache of information allow it to execute orders and
28 serve trading clients with an efficiency and sophistication that most competitors and would-be

competitors cannot match. Given the state of the market, it would be extremely difficult and time consuming if not impossible for a new competitor to develop software systems, algorithms, and other key information on par with BTIG's from scratch.

4. Defendant StoneX competes with BTIG and offers investment banking, institutional trading, research and related brokerage services. However, StoneX lacked BTIG's sophisticated software solutions, algorithms, and treasure trove of proprietary information for pricing, trading, and executing orders on key financial instruments, including FLEX options, at-risk exchange trade funds (at-risk ETFs), execution of foreign exchange orders, and others. As a result, StoneX lacked the same level of products for market making, trading, and order execution business at the highest levels and, as of the third quarter of 2020, was suffering declining revenue capture in its equities business.

5. As reflected in StoneX's earning calls, StoneX desired to build out its technology and automate processes both in its existing business lines and so that it could expand into new lines of market making and trading business. However, StoneX lacked the technological capabilities and personnel to do so.

6. Seeking to build that capability through illicit means, starting in December 2020, StoneX recruited a group of traders and software developers from BTIG to join StoneX's ranks and—using proprietary, confidential, and trade secret information they stole from BTIG—build equivalent systems for StoneX.

7. Before leaving BTIG, numerous of the personnel hired by StoneX extracted and cached BTIG's computer code and other proprietary business information from BTIG's servers. To evade BTIG's extensive security measures and hide the exfiltration, at least one StoneX recruitee encrypted the code and then appended the encrypted code to otherwise innocuous electronic materials, such as publicly available PDFs, making it unrecognizable to BTIG's normal monitoring systems. He then used BTIG's customer reports system to exfiltrate the code and other information by attaching the innocuous-looking PDFs to emails and emailing the PDFs to himself. The former BTIG/now StoneX employee then extracted the encrypted code from the PDFs, decrypted it, and took it with them to StoneX.

1 8. Separately, the now-StoneX personnel uploaded and transferred additional code
2 from BTIG's network to a personal cloud-based Apache Subversion repository so that they could
3 later transfer it to StoneX. The employees also deleted log files or otherwise used their
4 administrative credentials to circumvent BTIG's monitoring and network security to conceal their
5 transfer of code and other information.

6 9. In February 2021, BTIG became aware of a small portion of the scheme when it
7 identified a series of emails containing confidential information that one of its former software
8 developers had sent to his personal email account in the period after he had accepted a job at
9 StoneX but before he left BTIG. Seeking to protect its IP without litigation and accepting the
10 assurances of StoneX's counsel that this was an isolated matter and that StoneX had no desire to
11 obtain the stolen information and assets, BTIG obtained sworn affirmations from its former
12 personnel on behalf of themselves and StoneX, had a third party IT forensics firm scrub and delete
13 from the former personnel's computer system and equipment any of the offending emails and
14 documents or files that were contained in those emails, and secured an agreement from StoneX that
15 they had deleted any and all BTIG's proprietary information in their possession and that they
16 would not use any such information going forward.

17 10. Unfortunately, StoneX's representations were false, and its pretended cooperation
18 was a sham. StoneX did not search for and remove BTIG's code and other proprietary information.
19 Instead, in violation of their agreements and their sworn representations and unbeknownst to BTIG,
20 StoneX and the former BTIG employees obtained and gathered more of BTIG's confidential and
21 proprietary code and information and continued to use BTIG's confidential and proprietary
22 information and software code to build competing products. Meanwhile, StoneX recruited
23 *additional* BTIG personnel to assist with its copycat products while taking extensive steps to hide
24 their new employment from BTIG.

25 11. Since 2021, StoneX surreptitiously has used BTIG's software and other proprietary
26 information to build competing platforms for pricing and trading FLEX options, at-risk exchange
27 trade funds (at-risk ETFs), and execution of foreign exchange orders, among other business lines.

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12. BTIG discovered StoneX's continued misuse of its trade secrets and proprietary information this year as a result of whistleblowing by another former StoneX software coder who was aware of the scheme. The whistleblower revealed that BTIG's code has been copied and incorporated into StoneX's software as part of an intentional and purposefully orchestrated effort. Since then, StoneX's use of BTIG code has been confirmed by a third-party, independent evaluation.

13. BTIG seeks compensation for the lost value of the IP it spent tens of millions of dollars to develop and the competitive injuries it has suffered as a result of BTIG's misconduct, disgorgement of all value created by the misuse of BTIG's confidential, proprietary and trade secret information, totaling at least \$200 million, plus punitive damages and attorneys' fees.

14. Given the breadth of the former employee's involvement in developing BTIG's proprietary trading software and other products, the lengths StoneX and the employees it hired went to cover their tracks, and the lies and deception that StoneX perpetrated, the scope of StoneX's unjust enrichment is not presently known and may easily exceed a billion dollars. BTIG accordingly seeks all available equitable and legal remedies, including to prospectively enjoin StoneX from using any of BTIG's confidential, proprietary or trade secret information in the future.

PARTIES

15. Plaintiff BTIG is a limited liability company organized and existing under the laws of Delaware with its principal place of business located at 600 Montgomery Street, 6th Floor, San Francisco, CA.

16. BTIG's members include a corporation incorporated in Delaware and headquartered in New York and a private partnership headquartered in San Francisco, CA, whose partners include both corporate entities and natural persons residing in California, New York and elsewhere. Accordingly, BTIG is a citizen of at least California, Delaware, and New York.

17. BTIG’s Global Portfolio and ETF Trading team (“GPT Group”) provides highly-personalized execution consulting to institutional clients engaging in portfolio and Exchange-Traded Fund (“ETF”) trading. The GPT Group uses proprietary trading technology and custom algorithms to deliver quantifiable results for its clients. BTIG’s ADR Conversion Trading group

(the “ADR Group”) executes American Depositary Receipts (“ADRs”) in 40+ markets worldwide. By utilizing proprietary trading strategies and technology, the ADR Group provides clients with 24-hour market coverage, accurately trading in shares traded in international markets and converting them to U.S. Dollar ADRs. The ADR Group also offers the ability to execute reverse ADR trades, trading ADRs in local dollars and settling them in BTIG’s clients local currency. All of BTIG’s trading groups, including the GPT Group and ADR Group rely on BTIG’s proprietary trading technology to win business and secure higher margins and better results by providing better products and services than its competitors.

18. StoneX Group Inc. (“StoneX Group”) is a corporation organized and existing under the laws of the State of Delaware, with its principal place of business located at 230 Park Avenue, 10th Floor New York, NY. Accordingly, StoneX Group is a citizen of Delaware and New York.

19. StoneX Financial Inc. (“StoneX Financial”) is a wholly owned subsidiary of StoneX Group. StoneX Financial is registered as a broker-dealer with the SEC and is a member of both FINRA and MSRB. In addition, StoneX Financial is registered as a futures commission merchant with the CFTC and NFA, and a member of various commodities and futures exchanges in the U.S. and abroad.

20. Defendants maintain offices at One Letterman Drive, Building C C3-300, San Francisco, CA 94129.

21. StoneX’s Principal Equities Team provides market making services in global equities. The team provides execution to clients seeking liquidity, including in ADRs and ETFs. StoneX’s Principal Equities group initiated “Project Pascal” in 2021 to create and build and launch a domestic equities market-making business. StoneX’s Quantitative Strategies Group, which focuses on analytical research within the Principal Equities team, worked on Project Pascal.

22. Doe Defendants 1-10 are individuals employees, officers, and other personnel of Defendants who directed, designed, assisted, abetted, aided, and/or acted to accomplish the trade secret misappropriation and other misconduct described herein.

23. As described more fully below, Defendants acted in concert with and with the assistance of the Doe Defendants and other personnel to accomplish the wrongs at issue.

JURISDICTION AND VENUE

1 24. This Court has subject matter jurisdiction over all causes of action asserted in this
2 Complaint pursuant to the California Constitution, Article VI, section 10, as this is a civil action
3 where the matter in controversy, exclusive of interest, exceeds \$25,000, and because jurisdiction
4 over this case is not given by statute to other trial courts.

5 25. This Court has personal jurisdiction over Defendants pursuant to California Code of
6 Civil Procedure § 410.10 because both Defendants conduct business in California and maintain
7 offices in California, because the trade secrets at issue were, in part, developed in California and
8 maintained on California-based computers, and because Defendants are using the trade secrets and
9 other proprietary information to service clients and do business in California. Accordingly, a
10 substantial portion of the misconduct at issue took place in California.

11 26. StoneX Group filed a statement with the California Secretary of State on May 27,
12 2015 qualifying it to conduct business in California.

13 27. Key employees who were involved in creating, overseeing, and assisting with the
14 creation of proprietary software, programs, and systems misappropriated by Defendants are or were
15 located in BTIG's San Francisco, CA office. These employees include BTIG's former Chief
16 Technology Officer, BTIG's Head of Development, and BTIG's Managing Director of
17 Technology, a team of information technology developers who worked with the Managing Director
18 of Technology, and other personnel. BTIG's software development is based out of San Francisco,
19 CA, and servers utilized by the proprietary software in dispute are located in San Francisco, CA.

20 28. Because the trade secrets were, in part, developed in, maintained in, and stolen from
21 San Francisco, CA, Defendants' liability arose and BTIG's injury occurred in San Francisco, CA.

22 29. Venue is proper in San Francisco County pursuant to California Code of Civil
23 Procedure § 395.5 for the reasons stated in the paragraphs above.
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FACTS

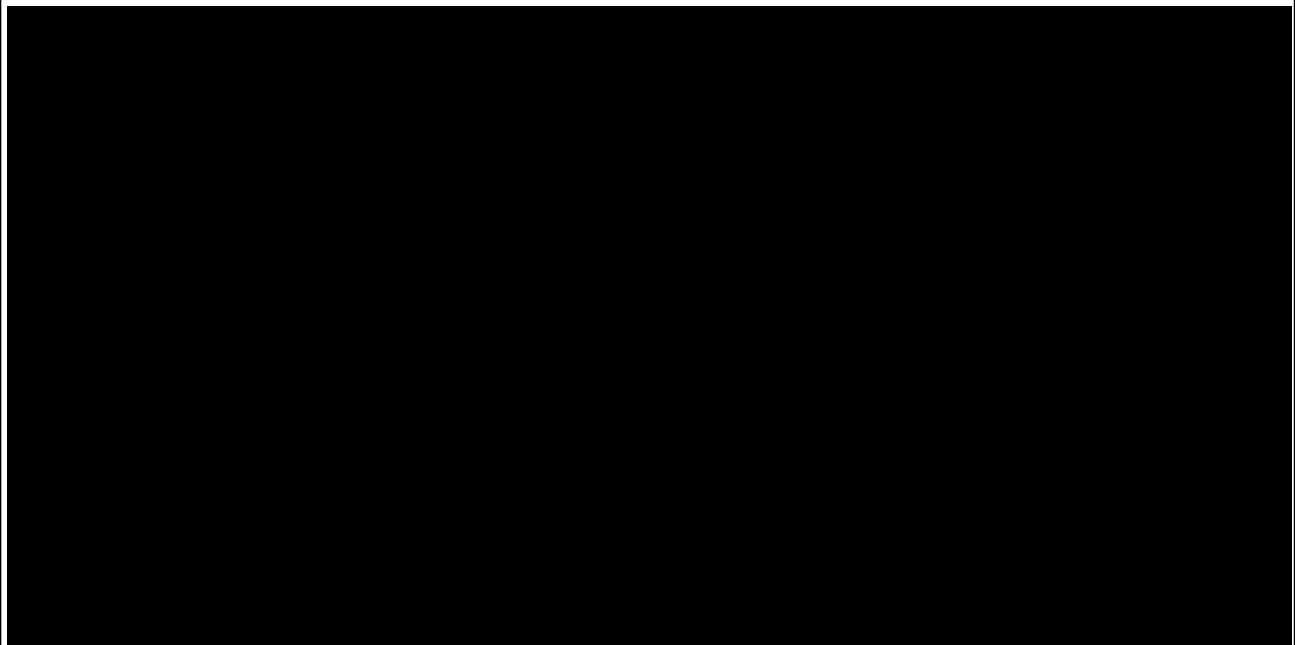
A. BTIG and Its Industry Leading Trading Software and Platforms

30. BTIG is a global financial services firm based in San Francisco specializing in investment banking, institutional trading, research, and related brokerage services.

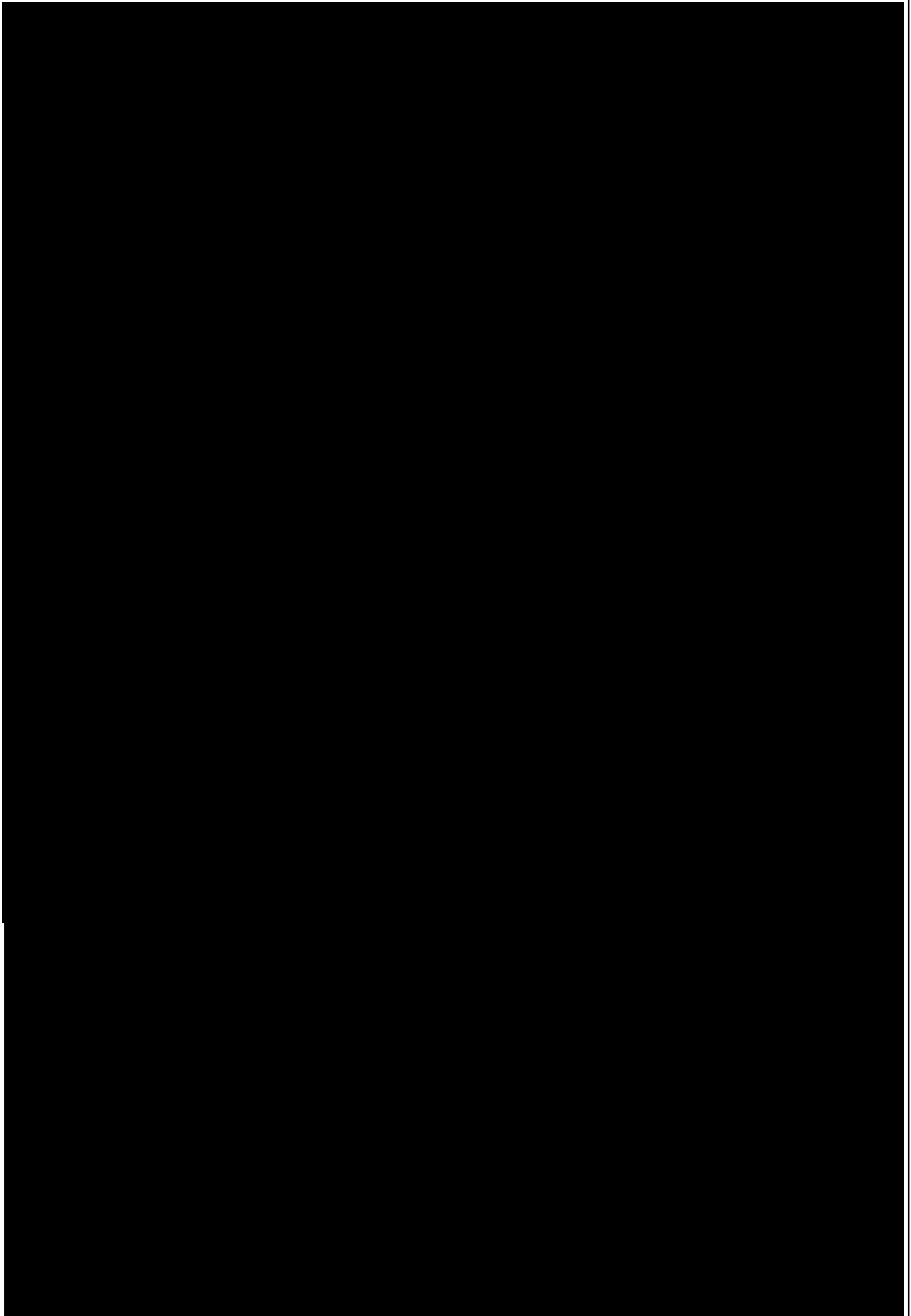
31. BTIG's GPT Group operates a highly successful and lucrative portfolio and ETF trading business that provides pre-trade analytics, order execution, settlement and post-trade reporting to institutional investors. The GPT Group trades and fulfills orders for American Depositary Receipts (ADRs), Flexible Exchange ("FLEX") Options, Exchange-Traded Funds ("ETFs"), and many other financial instruments efficiently and cost effectively.

32. To operate its business, BTIG has built an array of bespoke software applications as well as other proprietary and confidential structures and systems. BTIG's proprietary software, programs, and systems give BTIG a significant market and economic edge, allowing it to out-compete others in the market and obtain market-beating returns.

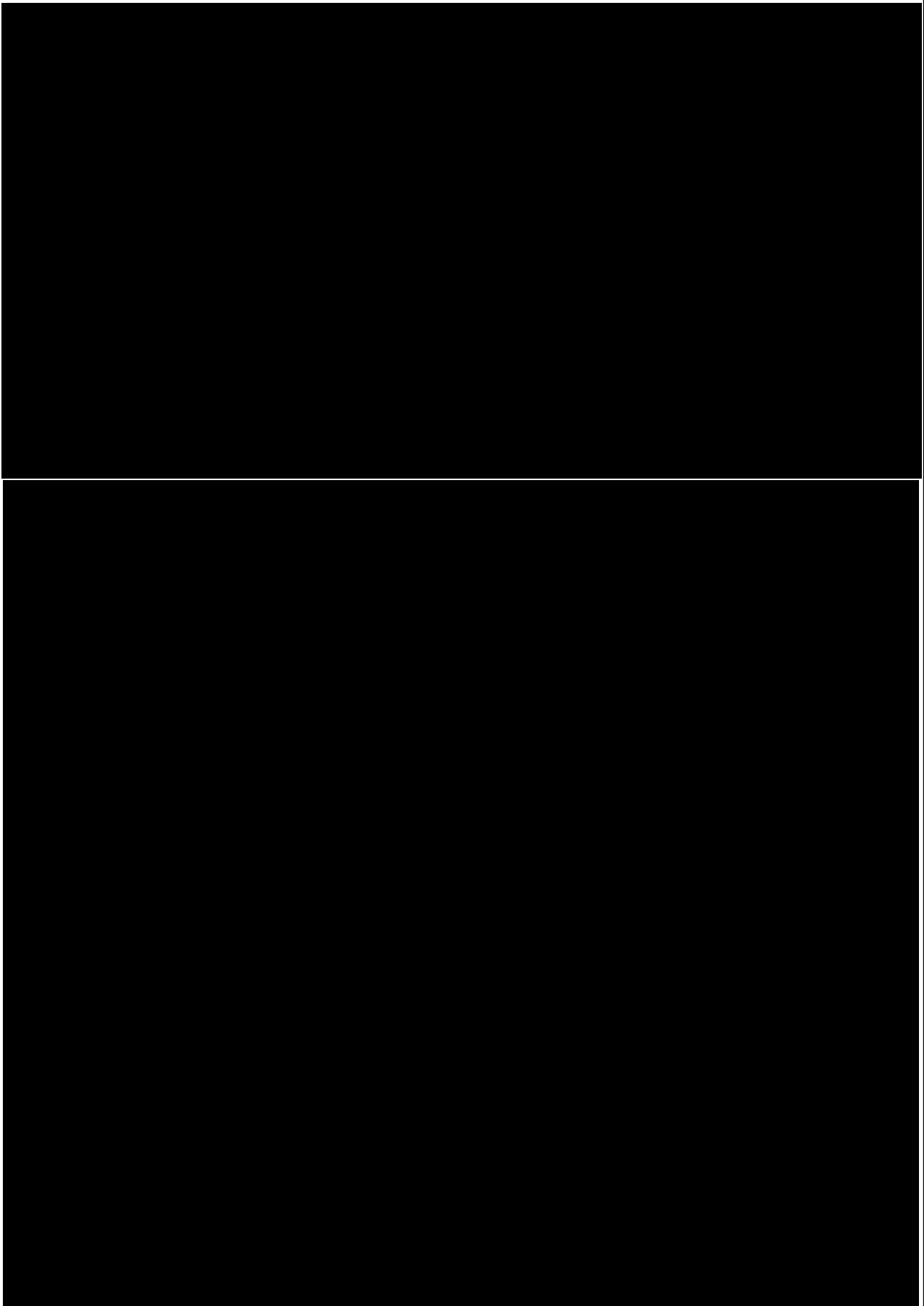
33. Each of the software systems used by the trading desks, including each of the systems below and at issue in this litigation was built through a joint effort of the sales and trading team, GPT Group software developers, and BTIG's system and network architect team. The latter is based in San Francisco and is led by the Managing Director of Technology at BTIG.



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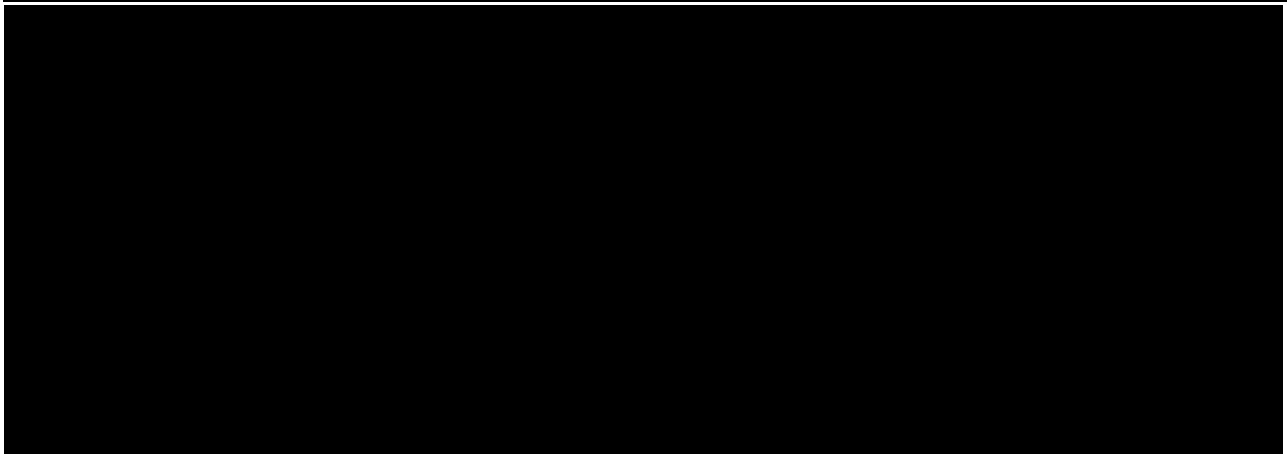
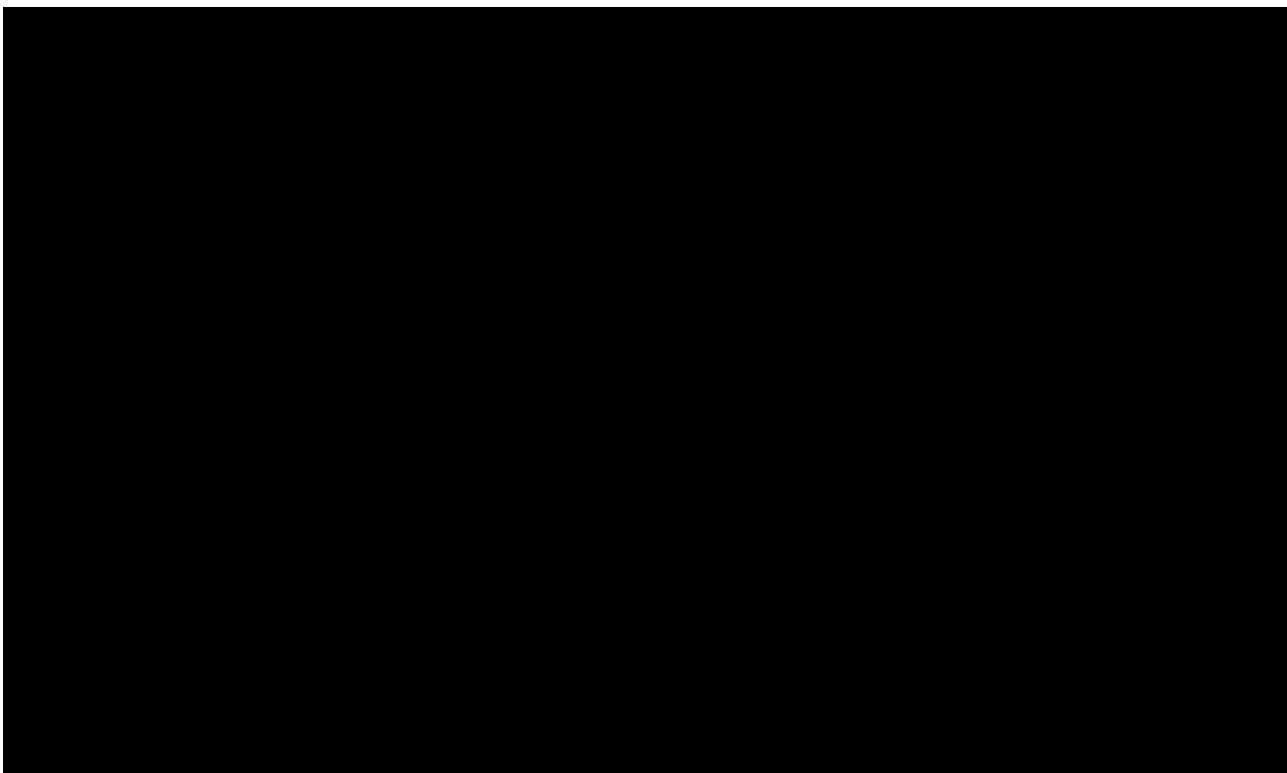


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B. BTIG's Security Measures

69. BTIG implements extensive measures to safeguard its trade secrets and proprietary information, including physical and software security measures, written policies and procedures, and comprehensive contractual arrangements with employees and other personnel. The following were all in place during the 2020-2021 time period.

70. BTIG implements firewalls and other network security measures, such as blocking access to non-BTIG webmail, cloud storage sites, chat and communication websites, FTPs and SFTP; requiring full VPN use on corporate laptops; implementing security software controlled single sign-on (SSO) with conditional access policies for access to applications; requiring use of

1 [REDACTED] workspace for employees working on personal devices; and restricting server console access
2 to employees with administrative credentials.

3 71. BTIG limits access to administrative privileges on BTIG's systems to a small group
4 of employees for whom such access was necessary to perform their duties.

5 72. BTIG ensured that the GPT Group's servers were never accessible from the public
6 internet.

7 73. BTIG implemented application and data security measures, such as: requiring [REDACTED]
8 multifactor authentication for network and account access; archiving emails via [REDACTED] and
9 performing compliance review of emails and attachments; permitting only select chat or
10 communications applications and archiving any such communications via [REDACTED]
11 implementing password management [REDACTED]

12 74. BTIG implemented endpoint security measures, such as: blocking connection of any
13 removeable media (e.g., external storage or USB devices) on company devices; blocking any
14 cut/paste or copy/paste from [REDACTED] workspace to personal devices; implementing mobile device
15 controls on application deployment, network access, etc., [REDACTED] restricting ability to
16 download and install applications or change endpoint configurations (such as erasing bash history)
17 to employees with administrator credentials; deploying [REDACTED]
18 endpoint protection on windows devices, which prevented users from launching certain executable
19 files and enabled system and event logging; and restricting root user access to administrators.

20 75. BTIG implemented physical controls, such as limiting physical access to all office
21 spaces and using robust physical access controls for datacenters housing server infrastructure.

22 76. BTIG requires all employees to sign its employee manual and employment
23 agreements which contain provisions, detailed further below, that prevent the sharing of misuse of
24 confidential information. Employees are required to sign and attest to reviewing the employee
25 manual and any updates each year.

26 77. BTIG requires all employees to review attest to reviewing a host of security policies,
27 including, the Electronic Communications Policy and Cybersecurity Procedures, which contain the
28 following provisions:

- 1 a. "Firm electronic systems or communications devices are for firm business
2 purposes and business communications must conform to accepted business
3 standards and regulatory requirements."
- 4 b. "Electronic business communications must be accessed and transmitted only
5 through firm-sponsored systems."
- 6 c. "Encryption of information may be required by BTIG; employees may not
7 independently encrypt communications on firm systems."
- 8 d. "BTIG considers its computer records, systems, and software to be corporate
9 assets. Employees are responsible for protecting these assets from unauthorized
10 use, destruction or unauthorized modification. This includes a prohibition
11 against violating copyright laws or licensing agreements applicable to computer
12 software. Employees will receive training/information regarding BTIG's
13 security policies at the time of hire and on an ongoing basis. Training will
14 include: Employees' obligation to maintain confidentiality of customer
15 information"
- 16 e. "All access to Firm systems or transmission of data must be conducted through
17 secure systems and networks. Electronic devices used for Firm business must
18 be authorized by the Firm and appropriate information security controls
19 implemented. Personal devices may not be used for Firm business unless firm
20 data is protected and the device is specifically authorized."

21 78. Individually and in combination, these precautions meet and exceed the industry
22 standard for protecting the most highly valuable trade secrets and proprietary information.

23 **C. StoneX Is Unable to Develop Platforms to Compete with BTIG**

24 79. Defendant StoneX is a competing offeror of investment banking, institutional
25 trading, research and related brokerage services.

26 80. However, StoneX lacked BTIG's sophisticated software solutions, algorithms, and
27 treasure trove of proprietary information for pricing, trading, and executing orders on key financial
28

1 instruments, including portfolio basket trades, options, at-risk exchange trade funds (at-risk ETFs),
2 execution of foreign exchange orders, and the others described above.

3 81. As a result, StoneX could not compete for market making, trading, and order
4 execution business at the highest levels and, as of the third quarter of 2020, was suffering declining
5 revenue capture in its equities business.

6 82. StoneX's earning calls from this time period reflect the internal concern about this
7 state of affairs, namely that that it was not operating as a "best in class financial platform
8 connecting clients to markets across asset classes and offering vertically integrated execution and
9 clearing". StoneX told investors it was "relentlessly pursuing" certain objectives to reach this goal,
10 including by "increasing digitization . . . by investing in client-facing technology" to make
11 "proprietary and industry standard platforms to better leverage our intellectual capital in driving
12 revenue growth."

13 83. With regard to equities in particular, StoneX was struggling to expand its equities
14 market making business. Historically, StoneX had focused on foreign stocks. However, starting in
15 approximately 2019, StoneX began attempting to provide more electronic offerings to its equities
16 market making clients and how to use that technology to expand into domestic (*i.e.*, NMS) equities
17 market making.

18 84. As StoneX's equities business reported declining revenue capture in Q3 2020,
19 StoneX sought to change its product mix to leverage its relationships with institutional clients. As
20 part of that effort, StoneX desired to build out a world-class NMS market-making business and
21 additional applications for its institutional clients, but lacked the technological capabilities and
22 qualified personnel to do so.

23 **D. StoneX Raids BTIG to Steal Trade Secrets and Proprietary Code**

24 85. Unable to build its own versions of BTIG's products, StoneX developed a scheme to
25 steal the code and other proprietary information from BTIG.

26 86. StoneX identified a former BTIG trader, Chris Amato, with the necessary
27 knowledge of BTIG's business, personnel, and systems and hired him in December 2020. In part
28 through Amato and in violation of his contractual non-solicitation obligations, StoneX then

1 recruited and hired five carefully placed BTIG trading and software development personnel (with
2 Amato, the “Disloyal Employees”) to carry off and incorporate into StoneX’s code and systems
3 BTIG’s most sensitive software code, algorithms, client information, and proprietary business
4 strategies in violation of their contractual and confidentiality agreements and restrictive covenants.

5 87. As described below, StoneX and the Disloyal Employees went to extraordinary
6 lengths to cover their tracks. The personnel StoneX hired from BTIG used NSA-level encryption
7 techniques to evade BTIG’s monitoring systems and to exfiltrate code and other BTIG trade
8 secrets. Meanwhile, the StoneX hires each concealed that they were going to work for StoneX. The
9 Disloyal Employees refused to disclose to BTIG that they were joining StoneX, delayed updating
10 or failed to update their LinkedIn biographies to disclose their employment at StoneX, delayed the
11 submission of their U-4 forms and, once submitted, omitted detail that would have disclosed their
12 roles at StoneX.

13 **1. StoneX hires BTIG’s Chris Amato as the First Step of Its Raid on BTIG**

14 88. Christopher Amato joined BTIG on November 14, 2016 as Managing Director,
15 Head of ADR Conversion Trading. Amato’s duties while employed at BTIG included ADR sales
16 and trading. While employed at BTIG, Amato reported to the Head of Institutional Client
17 Relationship and International Equities at BTIG.

18 89. Amato’s employment agreement, memorialized in a counter-signed offer letter,
19 dated November 2, 2016, includes the following provisions:

- 20 • “(12) Confidential Information. In working with BTIG, you will have access to and
21 may become acquainted with business plans, strategies, financial data, trade secrets,
22 customer lists, contracts, intellectual property, and other confidential and/or
23 proprietary information and materials of BTIG and its clients or other third parties
24 (“Confidential Information”). You agree that, at all times, you will hold and
25 maintain such Confidential Information in confidence. You agree that, during and
26 after your employment with BTIG, you will not (i) disclose or make available any
27 Confidential Information to any person who is not authorized by BTIG to receive
28 such Confidential Information, or (ii) use any Confidential Information for any
purpose other than that which is authorized by BTIG.”
- “(13) Return of Documents and Other Property. At any time upon our request, and
when you leave your employment with BTIG, you are required and agree to deliver
to BTIG, and not keep in your possession, copy, recreate, or deliver to any other
person or entity, (i) all documents and materials containing any Confidential

Information, whether such documents and materials were furnished to you by BTIG or one of its clients or were created by you, including all copies of such documents and materials, and whether in “hard copy” or in any electronically-stored format, and (ii) any and all other property that belongs to BTIG or that belongs to any other third party and is in your possession as a result of your employment with BTIG, whether created by you or another party.”

- “(14)(b) Restrictive Covenants. You agree that, for the period of ninety (90) days immediately following the termination of your employment with BTIG for any reason (other than a layoff due to structuring), you will not, directly or indirectly, within a fifty (50) mile radius of the Chicago Metropolitan Area, work for, be a consultant for, be employed by, or provide strategic advice to, any person, corporation, firm, or other entity engaged in a business that competes with the work of BTIG.”
- “(14)(c) Restrictive Covenants. During your employment with BTIG, and for the period of one (1) year after your last day of employment, irrespective of the reason your employment terminates or who initiates that termination, you agree that you will not, directly or indirectly, (i) solicit or otherwise induce or attempt to induce any employee of BTIG to end his or her employment with BTIG, or in any way interfere with the relationship between BTIG and its employees, (ii) solicit for employment or hire any employee of BTIG (or any individual who was an employee of BTIG during the six (6) month period before your last day of employment) to work for (as an employee, consultant, or otherwise) any business in competition with BTIG (provided that this restriction does not apply to clients of BTIG with whom you had a similar business relationship prior to your employment by BTIG), or otherwise induce or attempt to induce any client of BTIG to stop doing business with BTIG, or in any way interfere with the relationship between BTIG and any of its clients, investors, or vendors.”
- “(14)(d) Restrictive Covenants. By initialing below, you acknowledge and agree to the terms, conditions and restrictions set forth in this Section 14, that your skills and position with BTIG are unique and that any breach of the provisions of this Section will cause irreparable harm. You further acknowledge and agree that the restrictions imposed by this Section are reasonable and are required for the protection of BTIG, and will not preclude you from becoming gainfully employed if and when your employment with BTIG ends and after your expiration of the periods set forth in this Section.”

90. Amato signed the offer letter, initialed every page of the offer letter, and initialed under Section 14(d).

91. The BTIG Employee Manual contains similar obligations. In the Code of Conduct section, the list of “prohibited conduct” includes “[g]iving confidential or proprietary Firm information to competitors or other organizations, or to unauthorized Firm employees” and “[w]orking for a competing business while an employee of the Firm.”

1 92. The Employee Manual’s section on Confidentiality provides that it is BTIG’s
2 “policy that the confidential, proprietary or trade secret operations, activities and business affairs of
3 the Firm,” including BTIG “financial records; reports; business plans and strategies; marketing
4 materials; client names, accounts, identification materials; vendors; suppliers; trade secrets;
5 inventions, programs, formulas, techniques and processes; and documents regarding confidential
6 Firm operations,” “must be handled in strict confidence.”

7 93. The Confidentiality policy continues that “[d]ocuments that [employees] create,
8 receive or maintain both inside and outside of the office, whether in electronic form or hard copy,
9 having to do with confidential, proprietary or trade secret information are the property of the firm,”
10 employees “are required to keep such data or information confidential unless disclosure is properly
11 authorized and/or necessary for business purposes,” “[n]o confidential, proprietary or trade secret
12 Firm documents or property may be removed from its premises without prior authorization,” and
13 that “[u]pon termination of employment, all the Firm’s documents and property in [former
14 employees’] possession including any information in hard copy or electronic form must be returned
15 to the firm.”

16 94. Amato acknowledged the BTIG Employee Manual on November 14, 2016, January
17 30, 2017, May 4, 2018, and June 20, 2019.

18 95. At BTIG, Amato led the ADR Conversion desk, which executed ADRs in 40+
19 markets worldwide, utilizing BTIG’s proprietary trading strategies and technology. Amato’s group
20 executed both traditional ADRs and “reverse” ADRs, in which BTIG trades ADRs in the U.S. and
21 settled in its foreign client’s currency.

22 96. As head of the ADR Conversion desk, Amato sought to create a new and improved
23 ADR trading application that would connect to [REDACTED] The GPT Group agreed to lend
24 their software engineering team to work on the project, including Evan Pfeuffer and Debayan
25 Bhaduri (two of the six Disloyal Employees), discussed further below. This resulted in BTIG’s
26 [REDACTED] application, which became a core part of Amato’s ADR Conversion business,
27 generating millions of dollars per year for BTIG.

28 97. In June 2020, BTIG allowed Amato to resign.

1 98. Between Amato’s hire date on November 14, 2016 and his resignation date on June
2 29, 2020, BTIG paid Amato [REDACTED]

3 99. On June 29, 2020, BTIG provided Amato with its standard “Guide to Leaving
4 BTIG.” Among other things, the Guide reiterated and reinforced Amato’s post-employment
5 obligations to BTIG: “You are required to abide by the terms outlined in your employment letter or
6 most recent official document regarding non-compete/non-solicit/non-poaching (‘restrictive
7 covenants’). Failure to do so may lead to legal action.”

8 100. At the time of his resignation, Amato acknowledged that he was bound by his
9 agreement that he would not, in the year following his departure, solicit any BTIG employees to
10 work for a competitor, such as StoneX. Amato agreed that his restrictive covenants remain in effect
11 and that he had an obligation not to use BTIG’s proprietary information and intellectual property.

12 101. Six months after his resignation, on December 20, 2020, Amato took a job at
13 StoneX as Managing Director, Principal Equities Development. Amato’s Principal Equities team
14 was tasked with launching a new equities market making business at StoneX.

15 102. To accomplish this, StoneX caused Amato to violate his non-solicitation obligations
16 by soliciting additional BTIG employees, including Bhaduri and Pfeuffer, to join StoneX and carry
17 with them the software code and other key information for BTIG’s trading platforms.

18 103. Amato and StoneX agreed that Amato would assist StoneX to duplicate BTIG’s
19 technologies and business lines by recruiting a team of BTIG traders and software engineers he had
20 previously worked with at BTIG to join him at StoneX and take proprietary BTIG information. In
21 particular, StoneX sought Amato’s help to copy BTIG’s ADR and ETF trading and order
22 management platforms so that it could break into businesses in which it had been unable to
23 compete.

24 104. BTIG’s subsequent investigation has discovered that Amato took from BTIG
25 significant amounts of BTIG confidential and proprietary information in violation of his contractual
26 agreements and BTIG’s policies. Amato exfiltrated company schematics, pitchbooks, tear sheets,
27 and internal market analyses.
28

2. StoneX Hires Debayan Bhaduri to Take BTIG's Trade Secrets

105. Debayan Bhaduri joined BTIG as a Director in its GPT Group, effective September 30, 2013. He was promoted to Managing Director in January 2019. Prior to his employment with BTIG, Bhaduri served as a Technical Architect for Fidessa Group, where he developed and maintained a core algorithmic trading platform.

106. Bhaduri's employment agreement, memorialized in a counter-signed offer letter, dated August 22, 2013, includes the following provisions:

- “(11) Confidential Information. In working with BTIG, you will have access to and may become acquainted with business plans, strategies, financial data, trade secrets, customer lists, contracts, intellectual property, and other confidential and/or proprietary information and materials of BTIG and its clients or other third parties (“Confidential Information”). You agree that, at all times, you will hold and maintain such Confidential Information in confidence. You agree that, during and after your employment with BTIG, you will not (i) disclose or make available any Confidential Information to any person who is not authorized by BTIG to receive such Confidential Information, or (ii) use any Confidential Information for any purpose other than that which is authorized by BTIG.”
- “(12) Return of Documents and Other Property. At any time upon our request, and when you leave your employment with BTIG, you are required and agree to deliver to BTIG, and not keep in your possession, copy, recreate, or deliver to any other person or entity, (i) all documents and materials containing any Confidential Information, whether such documents and materials were furnished to you by BTIG or one of its clients or were created by you, including all copies of such documents and materials, and whether in “hard copy” or in any electronically-stored format, and (ii) any and all other property that belongs to BTIG or that belongs to any other third party and is in your possession as a result of your employment with BTIG, whether created by you or another party.”
- “(13)(b) Restrictive Covenants. You agree that, for the period of three (3) months immediately following the termination of your employment with BTIG for any reason (other than a layoff due to structuring), you will not, directly or indirectly, within a fifty (50) mile radius of the New York Metropolitan Area, work for, be a consultant for, be employed by, or provide strategic advice to, any person, corporation, firm, or other entity engaged in a business that competes with the work of BTIG.”
- “(13)(c) Restrictive Covenants. During your employment with BTIG, and for the period of one (1) year after your last day of employment, irrespective of the reason your employment terminates or who initiates that termination, you agree that you will not, directly or indirectly, (i) solicit or otherwise induce or attempt to induce any employee of BTIG to end his or her employment with BTIG, or in any way interfere with the relationship between BTIG and its employees, (ii) solicit for

1 employment or hire any employee of BTIG (or any individual who was an employee
2 of BTIG during the six (6) month period before your last day of employment) to
3 work for (as an employee, consultant, or otherwise) any business in competition
4 with BTIG (provided that this restriction does not apply to clients of BTIG with
5 whom you had a similar business relationship prior to your employment by BTIG),
or otherwise induce or attempt to induce any client of BTIG to stop doing business
with BTIG, or in any way interfere with the relationship between BTIG and any of
its clients, investors, or vendors.”

- 6 • “(13)(d) Restrictive Covenants. You acknowledge and agree that your skills and
7 position with BTIG are unique and that any breach of the provisions of this Section
8 will cause irreparable harm. You further acknowledge and agree that the restrictions
9 imposed by this Section are reasonable and are required for the protection of BTIG,
and will not preclude you from becoming gainfully employed if and when your
employment with BTIG ends.”

10 107. Bhaduri signed the offer letter and initialed every page of the offer letter.

11 108. The BTIG Employee Manual contains similar obligations. In the Code of Conduct
12 section, the list of “prohibited conduct” includes “[g]iving confidential or proprietary Firm
13 information to competitors or other organizations, or to unauthorized Firm employees” and
14 “[w]orking for a competing business while an employee of the Firm.”

15 109. The Employee Manual’s section on Confidentiality provides that it is BTIG’s
16 “policy to ensure that the confidential, proprietary or trade secret operations, activities and business
17 affairs of the Firm,” including BTIG “financial records; reports; business plans and strategies;
18 marketing materials; client names, accounts, identification materials; vendors; suppliers; trade
19 secrets; inventions, programs, formulas, techniques and processes; and documents regarding
20 confidential Firm operations,” “must be handled in strict confidence.”

21 110. The Confidentiality policy continues that “[d]ocuments that [employees] create,
22 receive or maintain both inside and outside of the office, whether in electronic form or hard copy,
23 having to do with confidential, proprietary or trade secret information are the property of the firm,”
24 employees “are required to keep such data or information confidential unless disclosure is properly
25 authorized and/or necessary for business purposes,” “[n]o confidential, proprietary or trade secret
26 Firm documents or property may be removed from its premises without prior authorization,” and
27 that “[u]pon termination of employment, all the Firm’s documents and property in [former
28

employees'] possession including any information in hard copy or electronic form must be returned to the firm."

111. Bhaduri acknowledged the BTIG Employee Manual on February 6, 2017, May 24, 2018, June 26, 2019, and July 10, 2020.

112. At BTIG, Bhaduri was centrally involved in every aspect of BTIG's portfolio trading desk. In conjunction with BTIG's San Francisco-based software development team, Bhaduri helped develop proprietary code applications for BTIG's quantitative trading platforms and for BTIG's GPT Group.

113. Bhaduri played a close role in the development of BTIG's proprietary trading applications, including [REDACTED]. Moreover, Bhaduri created the [REDACTED] discussed herein, which were used to create bespoke trading products for BTIG's clients. To create these products Bhaduri worked with the Managing Director of Technology at BTIG, and his team.

114. Between Bhaduri's hire date on October 7, 2013 and his termination date on February 5, 2021, BTIG paid Bhaduri [REDACTED]

115. On the day bonuses were distributed for the 2020 calendar year, February 1, 2021, Bhaduri submitted his resignation from BTIG, effective February 5, 2021, without providing the customary two-weeks' notice. Bhaduri resigned to take a similar software developer role at StoneX. Bhaduri refused to tell BTIG the identity of his new employer but assured BTIG that he would not be working in a similar job for a BTIG competitor. This representation was false.

116. Instead, Bhaduri began to work for StoneX within 90 days of his resignation from BTIG, in contravention of the restrictive covenants in his employment agreement and his fiduciary duties to BTIG.

117. In fact, Bhaduri had been in discussions with StoneX for months before his resignation. On December 31, 2020, Bhaduri emailed the restrictive covenant provisions in his BTIG Offer Letter to his personal email account, on information and belief so that he could forward them to StoneX for its review. Then, on January 5, 2021, StoneX sent Bhaduri

1 employment on-boarding paperwork—demonstrating that Bhaduri had already accepted an offer of
2 employment from StoneX prior to January 5, 2021, one month before his departure from BTIG.

3 118. During this period Bhaduri removed BTIG’s confidential and proprietary
4 information and trade secrets so that he could take them with him to StoneX.

5 119. Between December 5, 2020 and January 28, 2021, while he was discussing
6 employment with StoneX and after he had agreed to employment with StoneX, Bhaduri sent at
7 least 19 emails from this BTIG email account to his personal Gmail account containing BTIG’s
8 highly confidential, proprietary and trade secret information. Bhaduri sent some of the most
9 sensitive emails and documents to his personal email account after he commenced the employment
10 on-boarding process with StoneX on January 5, 2021. There was no business reason for him to do
11 this. These emails and attachments contain highly confidential and proprietary information and
12 trade secrets belonging to BTIG that, in the hands of a BTIG competitor (like StoneX) could be
13 used to copy BTIG business plans and strategies that it spent significant time and money
14 developing.

15 120. Specifically, Bhaduri sent the following to his personal email account from his
16 BTIG email account:

- 17 a. On December 13, 2020, Bhaduri forwarded a list of strategic action items for
18 BTIG’s proprietary [REDACTED]
19 [REDACTED] which he was developing with
20 BTIG colleagues. The list identifies planned development work on core
21 functionalities of the system.
- 22 b. On December 24, 2020, Bhaduri forwarded an email containing confidential
23 discussions regarding an [REDACTED]
24 [REDACTED] This information is highly confidential and
25 would be valuable to any business developing similar OTC strategies.
- 26 c. On December 28, 2020, Bhaduri forwarded a “Synopsis” document providing a
27 comprehensive outline of a new proprietary [REDACTED]
28 [REDACTED] on which Bhaduri worked closely while employed by BTIG. Among

1 other things, this document describes BTIG's proprietary software [REDACTED]

2 [REDACTED] It includes

3 descriptions of core services, business components, and processors, and the
4 business framework of the core functionality. Additionally, this document
5 details the existing architecture and future architecture under development for
6 the planned services. A BTIG competitor that obtained this Synopsis would
7 have a roadmap of BTIG's business strategy in [REDACTED]
8 [REDACTED]

9 d. On December 30, 2020, Bhaduri forwarded an updated version 2 of the
10 "Synopsis" document described above.

11 e. On December 30, 2020, Bhaduri sent a list of internal discussion points
12 regarding BTIG's planned new corporate entity that would be formed to
13 develop, implement and manage the [REDACTED]
14 described in the "Synopsis" document described above. Bhaduri was supposed
15 to [REDACTED]
16 [REDACTED]

17 f. On January 2, 2021, Bhaduri forwarded an updated version 3 of the "Synopsis"
18 document described above.

19 g. On January 4, 2021, Bhaduri forwarded a short form version of the "Synopsis"
20 document described above, containing the key confidential information.

21 h. On January 26, 2021, Bhaduri forwarded a presentation deck describing the
22 [REDACTED]
23 [REDACTED] described in
24 the "Synopsis" document described above, including [REDACTED]
25 [REDACTED]

26 i. On January 27, 2021, Bhaduri forwarded an open source code "build list,"
27 which lists [REDACTED]
28 [REDACTED] BTIG's development environment utilized proprietary code for

1 core functionality and third party software for commoditized processes.

2 Basically, this is a map of [REDACTED]
3 [REDACTED]

- 4 j. On January 28, 2021, Bhaduri forwarded three Excel spreadsheets, prepared by
5 another BTIG employee, calculating th [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [REDACTED]
9 [REDACTED]

10 121. At the time, BTIG had not yet uncovered these emails. Accordingly, on February 5,
11 2021, BTIG provided Bhaduri with its standard “Guide to Leaving BTIG.” Among other things, the
12 Guide reiterated and reinforced Bhaduri’s post-employment obligations to BTIG: “You are
13 required to abide by the terms outlined in your employment letter or most recent official document
14 regarding non-compete/non-solicit/non-poaching (‘restrictive covenants’). Failure to do so may
15 lead to legal action.”

16 122. Nonetheless, Bhaduri went to work for StoneX in violation of the restrictive
17 covenant in his employment agreement and his duties to maintain the integrity of BTIG’s
18 proprietary information.

19 123. Bhaduri is now a Managing Director, Head of Quantitative Strategies at StoneX. His
20 duties include working with the Principal Equities Development team to develop software and
21 algorithms to be used by as part of his efforts to launch an NMS Market Making team.

22 **3. StoneX Hires Evan Pfeuffer to Take BTIG’s Trade Secrets**

23 124. Evan Pfeuffer was hired as Managing Director in BTIG’s GPT Group, effective
24 May 4, 2015. Prior to his employment with BTIG, Pfeuffer served as a director-level C++ software
25 engineer at Credit Suisse, UBS and Schwab Capital Markets.

26 125. Pfeuffer’s employment agreement, memorialized in a counter-signed offer letter,
27 dated April 21, 2015, includes the following provisions:
28

- 1 • “(11) Confidential Information. In working with BTIG, you will have access to and
2 may become acquainted with business plans, strategies, financial data, trade secrets,
3 customer lists, contracts, intellectual property, and other confidential and/or
4 proprietary information and materials of BTIG and its clients or other third parties
5 (“Confidential Information”). You agree that, at all times, you will hold and
6 maintain such Confidential Information in confidence. You agree that, during and
7 after your employment with BTIG, you will not (i) disclose or make available any
8 Confidential Information to any person who is not authorized by BTIG to receive
9 such Confidential Information, or (ii) use any Confidential Information for any
10 purpose other than that which is authorized by BTIG.”
- 11 • “(12) Return of Documents and Other Property. At any time upon our request, and
12 when you leave your employment with BTIG, you are required and agree to deliver
13 to BTIG, and not keep in your possession, copy, recreate, or deliver to any other
14 person or entity, (i) all documents and materials containing any Confidential
15 Information, whether such documents and materials were furnished to you by BTIG
16 or one of its clients or were created by you, including all copies of such documents
17 and materials, and whether in “hard copy” or in any electronically-stored format,
18 and (ii) any and all other property that belongs to BTIG or that belongs to any other
19 third party and is in your possession as a result of your employment with BTIG,
20 whether created by you or another party.”
- 21 • “(13)(b) Restrictive Covenants. You agree that, for the period of ninety (90) days
22 immediately following the termination of your employment with BTIG for any
23 reason (other than a layoff due to structuring), you will not, directly or indirectly,
24 within a fifty (50) mile radius of the New York Metropolitan Area, work for, be a
25 consultant for, be employed by, or provide strategic advice to, any person,
26 corporation, firm, or other entity engaged in a business that competes with the work
27 of BTIG.”
- 28 • “(13)(c) Restrictive Covenants. During your employment with BTIG, and for the
period of one (1) year after your last day of employment, irrespective of the reason
your employment terminates or who initiates that termination, you agree that you
will not, directly or indirectly, (i) solicit or otherwise induce or attempt to induce
any employee of BTIG to end his or her employment with BTIG, or in any way
interfere with the relationship between BTIG and its employees, (ii) solicit for
employment or hire any employee of BTIG (or any individual who was an employee
of BTIG during the six (6) month period before your last day of employment) to
work for (as an employee, consultant, or otherwise) any business in competition
with BTIG (provided that this restriction does not apply to clients of BTIG with
whom you had a similar business relationship prior to your employment by BTIG),
or otherwise induce or attempt to induce any client of BTIG to stop doing business
with BTIG, or in any way interfere with the relationship between BTIG and any of
its clients, investors, or vendors.”
- “(13)(d) Restrictive Covenants. You acknowledge and agree that your skills and
position with BTIG are unique and that any breach of the provisions of this Section
will cause irreparable harm. You further acknowledge and agree that the restrictions

1 imposed by this Section are reasonable and are required for the protection of BTIG,
2 and will not preclude you from becoming gainfully employed if and when your
employment with BTIG ends.”

3 126. Pfeuffer signed the offer letter and initialed every page of the offer letter.

4 127. The BTIG Employee Manual contains similar obligations. In the Code of Conduct
5 section, the list of “prohibited conduct” includes “[g]iving confidential or proprietary Firm
6 information to competitors or other organizations, or to unauthorized Firm employees” and
7 “[w]orking for a competing business while an employee of the Firm.”

8 128. The Employee Manual’s section on Confidentiality provides that it is BTIG’s
9 “policy to ensure that the confidential, proprietary or trade secret operations, activities and business
10 affairs of the Firm,” including BTIG “financial records; reports; business plans and strategies;
11 marketing materials; client names, accounts, identification materials; vendors; suppliers; trade
12 secrets; inventions, programs, formulas, techniques and processes; and documents regarding
13 confidential Firm operations,” “must be handled in strict confidence.”

14 129. The Confidentiality policy continues that “[d]ocuments that [employees] create,
15 receive or maintain both inside and outside of the office, whether in electronic form or hard copy,
16 having to do with confidential, proprietary or trade secret information are the property of the firm,”
17 employees “are required to keep such data or information confidential unless disclosure if properly
18 authorized and/or necessary for business purposes,” “[n]o confidential, proprietary or trade secret
19 Firm documents or property may be removed from its premises without prior authorization,” and
20 that “[u]pon termination of employment, all the Firm’s documents and property in [former
21 employees’] possession including any information in hard copy or electronic form must be returned
22 to the firm.”

23 130. Pfeuffer acknowledged the BTIG Employee Manual on January 27, 2017, May 4,
24 2018, June 26, 2019, and July 6, 2020.

25 131. At BTIG, Pfeuffer played a central role in the creation of the software systems and
26 other proprietary information and trade secrets used by BTIG’s GPT Group and other groups. In
27 conjunction with BTIG’s San Francisco-based software development team, Pfeuffer helped
28

1 develop proprietary code applications for BTIGs quantitative trading platforms and for BTIG's
2 GPT Group.

3 132. In particular, Pfeuffer spent more than fifty percent of his time on BTIG's [REDACTED]
4 [REDACTED]

5 133. Along with Bhaduri, Pfeuffer was central to the development of BTIG's proprietary
6 applications, including [REDACTED]

7 Pfeuffer was also central to BTIG's bespoke [REDACTED] applications. To create these
8 applications, Pfeuffer worked with the Managing Director of Technology at BTIG, and his team.

9 134. Pfeuffer's duties while employed at BTIG included developing proprietary code
10 applications related to BTIGs quantitative trading platforms and related functionality related to
11 BTIG's GPT Group. Working with Bhaduri, he developed, tested and operationalized proprietary
12 code used throughout BTIG's computer applications and systems. Pfeuffer utilized the C++ coding
13 language.

14 135. Between Pfeuffer's hire date on April 27, 2015 and his termination date on February
15 5, 2021, BTIG paid Pfeuffer [REDACTED]

16 136. Like Bhaduri, on the day bonuses were distributed for the 2020 calendar year,
17 February 1, 2021, Pfeuffer submitted his resignation, effective February 5, 2021, without providing
18 the customary two-weeks' notice. Pfeuffer resigned from BTIG to take a similar software
19 developer role at StoneX. Like Bhaduri, Pfeuffer would not disclose to BTIG the identity of his
20 new employer but assured BTIG that he would not be working in a similar job for a BTIG
21 competitor. This representation was false.

22 137. Instead, Pfeuffer began to work for StoneX within 90 days of his resignation from
23 BTIG, in contravention of the restrictive covenants in his employment agreement and his fiduciary
24 duties to BTIG.

25 138. Like Bhaduri, Pfeuffer exfiltrated BTIG's confidential and proprietary information
26 before leaving for StoneX. On January 14, 2021, two weeks before resigning from BTIG, Pfeuffer
27 texted a StoneX software engineer with whom he would work at StoneX that "im' [sic] organizing
28 code for our new venture."

1 139. Based on a subsequent forensic review, Pfeuffer logged onto BTIG servers to collect
2 and remove key code. Because BTIG’s servers had sophisticated defenses against exfiltration of
3 code, Pfeuffer resorted to extraordinary measures. Pfeuffer took large swathes of code and other
4 proprietary information and encrypted them using NSA-level encryption techniques, rendering the
5 payload a meaningless string of gobbledygook to anyone without the encryption key. Pfeuffer then
6 appended the encrypted code to pdf versions of generic documents that were downloaded from the
7 internet; anyone looking at the files would see a generic PDF document that when opened
8 presented itself as normal, but in fact had code and other information secretly appended inside.
9 Pfeuffer then used BTIG’s automated email server for sending client reports to email the PDFs –
10 with the encrypted code appended – to himself, and then he took the code through various means
11 outside BTIG. Once outside BTIG, Pfeuffer could take out the encrypted code, decrypt it, transfer
12 it to StoneX and then use it at StoneX.

13 140. Separately, Pfeuffer uploaded and transferred additional code from BTIG’s network
14 to a personal cloud-based Apache Subversion repository so that he could later transfer it to StoneX.

15 141. Pfeuffer deleted network log files or otherwise used his administrative credentials to
16 circumvent BTIG’s monitoring and network tracking to conceal the transfer of the code and other
17 propriety information.

18 142. Text messages between Pfeuffer and the StoneX software engineer confirm the
19 scheme. On February 8, 2021 – days after Pfeuffer resigned from BTIG – the StoneX engineer
20 asked Pfeuffer, “didn’t you append pdf for your stuff,” to which Pfeuffer responded “Ah didn’t
21 realize what u were taking (*sic*) about, yeah, hidden encrypted payload appended to pdf. I’ve got
22 mine prepared going to test tomorrow, keep it. Secret, keep it safe. Like the ring.”

23 143. Two days later, Pfeuffer texted the StoneX engineer, “The eagle has landed, code
24 extracted.”

25 144. StoneX and Pfeuffer have refused BTIG’s requests that they turn over the
26 encryption keys so that BTIG may view the full scope of the specific code and other material that
27 was exfiltrated. However, as described below, an independent expert review has identified that
28

1 proprietary BTIG code appears verbatim in StoneX's operational software code, including explicit
2 references to BTIG and BTIG's Managing Director of Technology.

3 145. StoneX incorporated the stolen BTIG software code into its quantitative trading
4 platform and market making applications, among others, and has been using it for that purpose for
5 years. As a result, StoneX's code that it uses to this day includes numerous references to BTIG and
6 BTIG personnel, reflecting that it was directly copied from BTIG.

7 146. StoneX has generated tens of millions of dollars through its use of BTIG's code.

8 147. At the time of his departure, however, BTIG was unaware of Pfeuffer's conduct.
9 Accordingly, on February 5, 2021, BTIG provided Pfeuffer with its standard "Guide to Leaving
10 BTIG." Among other things, the Guide reiterated and reinforced Pfeuffer's post-employment
11 obligations to BTIG: "You are required to abide by the terms outlined in your employment letter or
12 most recent official document regarding non-compete/non-solicit/non-poaching ('restrictive
13 covenants'). Failure to do so may lead to legal action."

14 148. Nonetheless, Pfeuffer went to work for StoneX in violation of the restrictive
15 covenant in his employment agreement and his duties to maintain the integrity and confidentiality
16 of BTIG's proprietary information.

17 149. Pfeuffer now serves as a Managing Director of Principal Equities Development at
18 StoneX. His duties include developing software and algorithms to be used by StoneX as part of its
19 trading desk and as part of Amato's efforts to launch an NMS Market Making team. StoneX
20 continues to employ Pfeuffer to this day.

21 4. StoneX Hires John Leung to Further the Misappropriation of BTIG's 22 Trade Secrets

23 150. John Leung was hired as a Director in BTIG's GPT Group, effective November 29,
24 2019. Prior to his employment with BTIG, Leung served as an application developer for Barclays
25 Investment Bank and a software developer for Fidessa Group. While at BTIG, Leung worked on
26 the technology team run by Pfeuffer and Bhaduri that reported to the Head of the GPT Group.

27 151. Leung's employment agreement, memorialized in a counter-signed offer letter dated
28 November 4, 2019, includes the following provisions:

- 1 • “(11) Confidential Information. In working with BTIG, you will have access to and
2 may become acquainted with business plans, strategies, financial data, trade secrets,
3 customer lists, contracts, intellectual property, and other confidential and/or
4 proprietary information and materials of BTIG and its clients or other third parties
5 (“Confidential Information”). You agree that, at all times, you will hold and
6 maintain such Confidential Information in confidence. You agree that, during and
7 after your employment with BTIG, you will not (i) disclose or make available any
8 Confidential Information to any person who is not authorized by BTIG to receive
9 such Confidential Information, or (ii) use any Confidential Information for any
10 purpose other than that which is authorized by BTIG.”
- 11 • “(12) Return of Documents and Other Property. At any time upon our request, and
12 when you leave your employment with BTIG, you are required and agree to deliver
13 to BTIG, and not keep in your possession, copy, recreate, or deliver to any other
14 person or entity, (i) all documents and materials containing any Confidential
15 Information, whether such documents and materials were furnished to you by BTIG
16 or one of its clients or were created by you, including all copies of such documents
17 and materials, and whether in “hard copy” or in any electronically-stored format,
18 and (ii) any and all other property that belongs to BTIG or that belongs to any other
19 third party and is in your possession as a result of your employment with BTIG,
20 whether created by you or another party.”
- 21 • “(13)(b) Restrictive Covenants. You agree that, for the period of three (3) months
22 immediately following the termination of your employment with BTIG for any
23 reason (other than a layoff due to structuring), you will not, directly or indirectly,
24 within a fifty (50) mile radius of the New York Metropolitan Area, work for, be a
25 consultant for, be employed by, or provide strategic advice to, any person,
26 corporation, firm, or other entity engaged in a business that competes with the work
27 of BTIG.”
- 28 • “(13)(c) Restrictive Covenants. During your employment with BTIG, and for the
period of one (1) year after your last day of employment, irrespective of the reason
your employment terminates or who initiates that termination, you agree that you
will not, directly or indirectly, (i) solicit or otherwise induce or attempt to induce
any employee of BTIG to end his or her employment with BTIG, or in any way
interfere with the relationship between BTIG and its employees, (ii) solicit for
employment or hire any employee of BTIG (or any individual who was an employee
of BTIG during the six (6) month period before your last day of employment) to
work for (as an employee, consultant, or otherwise) any business in competition
with BTIG (provided that this restriction does not apply to clients of BTIG with
whom you had a similar business relationship prior to your employment by BTIG),
or otherwise induce or attempt to induce any client of BTIG to stop doing business
with BTIG, or in any way interfere with the relationship between BTIG and any of
its clients, investors, or vendors.”
- “(13)(d) Restrictive Covenants. By initialing below, you acknowledge and agree to
the terms, conditions, and restrictions set forth in this Section 13, that your skills and
position with BTIG are unique and that any breach of the provisions in this Section

1 will cause irreparable harm. You further acknowledge and agree that the restrictions
2 imposed by this Section are reasonable and are required for the protection of BTIG,
3 and will not preclude you from becoming gainfully employed if and when your
employment with BTIG ends and after your expiration of the periods set forth in this
Section.”

4 152. Leung signed the offer letter, initialed every page of the offer letter, and initialed
5 under Section 13(d).

6 153. Leung’s updated employment agreement, dated February 10, 2021, included nearly
7 identical Confidential Information, Return of Documents and Other Property, and Restrictive
8 Covenant provisions, but converted the Restrictive Covenant provision in 13(b) to instead give
9 BTIG the right to place Leung on a three-month “Garden Leave” following Leung giving BTIG
10 written notice of termination or the termination of Leung’s employment by BTIG. The provision
11 provided that during this period of Garden Leave, Leung “will continue to be bound by [his] duty
12 of fidelity to BTIG and by the terms of this letter agreement, and [he] may not directly or indirectly
13 be employed by or provide services to any third party or make any preparations to compete with
14 BTIG.”

15 154. Leung signed the updated employment agreement, initialed every page of the offer
16 letter, and again initialed under Section 13(d).

17 155. The BTIG Employee Manual contains similar obligations. In the Code of Conduct
18 section, the list of “prohibited conduct” includes “[g]iving confidential or proprietary Firm
19 information to competitors or other organizations, or to unauthorized Firm employees” and
20 “[w]orking for a competing business while an employee of the Firm.”

21 156. The Employee Manual’s section on Confidentiality provides that it is BTIG’s
22 “policy to ensure that the confidential, proprietary or trade secret operations, activities and business
23 affairs of the Firm,” including BTIG’s “financial records; reports; business plans and strategies;
24 marketing materials; client names, accounts, identification materials; vendors; suppliers; trade
25 secrets; inventions, programs, formulas, techniques and processes; and documents regarding
26 confidential Firm operations,” “must be handled in strict confidence.”

27 157. The Confidentiality policy continues that “[d]ocuments that [employees] create,
28 receive or maintain both inside and outside of the office, whether in electronic form or hard copy,

1 having to do with confidential, proprietary or trade secret information are the property of the firm,”
2 employees “are required to keep such data or information confidential unless disclosure is properly
3 authorized and/or necessary for business purposes,” “[n]o confidential, proprietary or trade secret
4 Firm documents or property may be removed from its premises without prior authorization,” and
5 that “[u]pon termination of employment, all the Firm’s documents and property in [former
6 employees’] possession including any information in hard copy or electronic form must be returned
7 to the firm.”

8 158. Leung acknowledged the BTIG Employee Manual on July 8, 2020.

9 159. While employed at BTIG, Leung assisted Pfeuffer and Bhaduri in developing the
10 proprietary code applications related to BTIGs quantitative trading platforms and related
11 functionality for BTIG’s GPT Group.

12 160. Like Bhaduri, Leung had expertise in the Fidessa architecture and assisted with
13 building out and refining the Fidessa aspects of BTIG’s applications. Leung assisted Bhaduri and
14 Pfeuffer with the development of numerous of BTIG’s proprietary applications, including the
15 BTIG PT algorithms.

16 161. Between Leung’s hire date on December 4, 2019 and his termination date on June
17 23, 2021, BTIG paid Leung [REDACTED]

18 162. On March 31, 2021, Leung provided his notice of resignation from BTIG. After
19 continuing to work for BTIG for the entirety of his three-month “garden leave” period, his
20 resignation was effective June 23, 2021. In July 2021, Leung became a Software Engineer at
21 StoneX.

22 163. Leung is now a Director of Principal Equities Development at StoneX, working for
23 Bhaduri and Pfeuffer. Leung’s duties include developing software and algorithms to be used by the
24 trading desk and as part of Amato’s efforts to launch an NMS Market Making team.

25 164. At the time of his resignation, Leung did not disclose to BTIG the identity of his
26 new employer (StoneX), but assured BTIG that he would not be working in a similar job for a
27 BTIG competitor. This representation was false.

28

1 165. On June 22, 2021, BTIG provided Leung with its standard “Guide to Leaving
2 BTIG.” Among other things, the Guide reiterated and reinforced Leung’s post-employment
3 obligations to BTIG: “You are required to abide by the terms outlined in your employment letter or
4 most recent official document regarding non-compete/non-solicit/non-poaching (‘restrictive
5 covenants’). Failure to do so may lead to legal action.”

6 **5. StoneX Hires Anthony V. Centrella to Further the Misappropriation of**
7 **BTIG’s Trade Secrets**

8 166. Anthony V. Centrella was hired as a Director in BTIG’s GPT Group, effective on or
9 around December 16, 2019. Prior to his employment with BTIG, Centrella was a registered broker
10 at Maxim Group, LLC, and ATM Execution LLC. While at BTIG, Centrella reported to BTIG’s
11 Head of the GPT Group but worked closely with and indirectly reported to Pfeuffer and Bhaduri.

12 167. Centrella’s employment agreement, memorialized in a counter-signed offer letter
13 dated November 20, 2019, includes the following provisions:

- 14 • “(11) Confidential Information. In working with BTIG, you will have access to and
15 may become acquainted with business plans, strategies, financial data, trade secrets,
16 customer lists, contracts, intellectual property, and other confidential and/or
17 proprietary information and materials of BTIG and its clients or other third parties
18 (“Confidential Information”). You agree that, at all times, you will hold and
19 maintain such Confidential Information in confidence. You agree that, during and
20 after your employment with BTIG, you will not (i) disclose or make available any
21 Confidential Information to any person who is not authorized by BTIG to receive
22 such Confidential Information, or (ii) use any Confidential Information for any
23 purpose other than that which is authorized by BTIG.”
- 24 • “(12) Return of Documents and Other Property. At any time upon our request, and
25 when you leave your employment with BTIG, you are required and agree to deliver
26 to BTIG, and not keep in your possession, copy, recreate, or deliver to any other
27 person or entity, (i) all documents and materials containing any Confidential
28 Information, whether such documents and materials were furnished to you by BTIG
or one of its clients or were created by you, including all copies of such documents
and materials, and whether in “hard copy” or in any electronically-stored format,
and (ii) any and all other property that belongs to BTIG or that belongs to any other
third party and is in your possession as a result of your employment with BTIG,
whether created by you or another party.”
- “(13)(b) Restrictive Covenants. You agree that, for the period of ninety (90) days
immediately following the termination of your employment with BTIG for any
reason (other than a layoff due to structuring), you will not, directly or indirectly,
within a fifty (50) mile radius of the New York Metropolitan Area, work for, be a

consultant for, be employed by, or provide strategic advice to, any person, corporation, firm, or other entity engaged in a business that competes with the work of BTIG.”

- “(13)(c) Restrictive Covenants. During your employment with BTIG, and for the period of one (1) year after your last day of employment, irrespective of the reason your employment terminates or who initiates that termination, you agree that you will not, directly or indirectly, (i) solicit or otherwise induce or attempt to induce any employee of BTIG to end his or her employment with BTIG, or in any way interfere with the relationship between BTIG and its employees, (ii) solicit for employment or hire any employee of BTIG (or any individual who was an employee of BTIG during the six (6) month period before your last day of employment) to work for (as an employee, consultant, or otherwise) any business in competition with BTIG (provided that this restriction does not apply to clients of BTIG with whom you had a similar business relationship prior to your employment by BTIG), or otherwise induce or attempt to induce any client of BTIG to stop doing business with BTIG, or in any way interfere with the relationship between BTIG and any of its clients, investors, or vendors.”
- (13)(d) Restrictive Covenants. By initialing below, you acknowledge and agree to the terms, conditions, and restrictions set forth in this Section 13, that your skills and position with BTIG are unique and that any breach of the provisions in this Section will cause irreparable harm. You further acknowledge and agree that the restrictions imposed by this Section are reasonable and are required for the protection of BTIG, and will not preclude you from becoming gainfully employed if and when your employment with BTIG ends and after your expiration of the periods set forth in this Section.

168. Centrella signed the offer letter, initialed every page of the offer letter, and initialed under Section 13(d).

169. The BTIG Employee Manual contains similar obligations. In the Code of Conduct section, the list of “prohibited conduct” includes “[g]iving confidential or proprietary Firm information to competitors or other organizations, or to unauthorized Firm employees” and “[w]orking for a competing business while an employee of the Firm.”

170. The Employee Manual’s section on Confidentiality provides that it is BTIG’s “policy to ensure that the confidential, proprietary or trade secret operations, activities and business affairs of the Firm,” including BTIG “financial records; reports; business plans and strategies; marketing materials; client names, accounts, identification materials; vendors; suppliers; trade secrets; inventions, programs, formulas, techniques and processes; and documents regarding confidential Firm operations,” “must be handled in strict confidence.”

1 171. The Confidentiality policy continues that “[d]ocuments that [employees] create,
2 receive or maintain both inside and outside of the office, whether in electronic form or hard copy,
3 having to do with confidential, proprietary or trade secret information are the property of the firm,”
4 employees “are required to keep such data or information confidential unless disclosure is properly
5 authorized and/or necessary for business purposes,” “[n]o confidential, proprietary or trade secret
6 Firm documents or property may be removed from its premises without prior authorization,” and
7 that “[u]pon termination of employment, all the Firm’s documents and property in [former
8 employees’] possession including any information in hard copy or electronic form must be returned
9 to the firm.”

10 172. Centrella acknowledged the BTIG Employee Manual on July 6, 2020.

11 173. Centrella assisted Pfeuffer and Bhaduri with the development of the user interface
12 (“UI”) portions of BTIG’s software. Centrella assisted Bhaduri and Pfeuffer with the development
13 and refinement of numerous of BTIG’s proprietary applications, including [REDACTED]

14 174. Between Centrella’s hire date on January 2, 2020, and his departure on March 5,
15 2021, BTIG paid Centrella [REDACTED]

16 175. Effective March 5, 2021, Centrella resigned from BTIG. That day, BTIG provided
17 Centrella with its standard “Guide to Leaving BTIG.” Among other things, the Guide reiterated and
18 reinforced Centrella’s post-employment obligations to BTIG: “You are required to abide by the
19 terms outlined in your employment letter or most recent official document regarding non-
20 compete/non-solicit/non-poaching (‘restrictive covenants’). Failure to do so may lead to legal
21 action.”

22 176. In April 2021, Centrella became a Software Engineer at StoneX, in violation of his
23 employment agreement. Centrella is a Director of Principal Equities Development at StoneX. His
24 duties include developing software and algorithms to be used by the trading desk and as part of
25 Amato’s efforts to launch an NMS Market Making team.

26 177. At the time of his resignation, Centrella did not disclose to BTIG the identity of his
27 new employer (StoneX), but assured BTIG that he would not be working in a similar job for a
28 BTIG competitor. This representation was false.

6. **StoneX Hires Jyoti Bhangale to Take BTIG's Trade Secrets to StoneX**

178. Jyoti Bhangale was hired as a Director in BTIG's GPT Group, effective January 6, 2020. Prior to her employment with BTIG, Bhangale served as an Assistant Vice President at Merrill Lynch, a System Specialist on the Algorithmic Trading Platform at Fidessa, and a Programmer Analyst at SunGard Technology Services Technical Architect for Fidessa Group, where he maintained a core algorithmic trading platform. While at BTIG, Bhangale reported to BTIG's Head of the GPT Group but worked closely with and indirectly reported to Pfeuffer and Bhaduri.

179. Bhangale's employment agreement, memorialized in a counter-signed offer letter, dated December 6, 2019 includes the following provisions:

- “(11) Confidential Information. In working with BTIG, you will have access to and may become acquainted with business plans, strategies, financial data, trade secrets, customer lists, contracts, intellectual property, and other confidential and/or proprietary information and materials of BTIG and its clients or other third parties (“Confidential Information”). You agree that, at all times, you will hold and maintain such Confidential Information in confidence. You agree that, during and after your employment with BTIG, you will not (i) disclose or make available any Confidential Information to any person who is not authorized by BTIG to receive such Confidential Information, or (ii) use any Confidential Information for any purpose other than that which is authorized by BTIG.”
- “(12) Return of Documents and Other Property. At any time upon our request, and when you leave your employment with BTIG, you are required and agree to deliver to BTIG, and not keep in your possession, copy, recreate, or deliver to any other person or entity, (i) all documents and materials containing any Confidential Information, whether such documents and materials were furnished to you by BTIG or one of its clients or were created by you, including all copies of such documents and materials, and whether in “hard copy” or in any electronically-stored format, and (ii) any and all other property that belongs to BTIG or that belongs to any other third party and is in your possession as a result of your employment with BTIG, whether created by you or another party.”
- “(13)(b) Restrictive Covenants. You agree that, for the period of ninety (90) days immediately following the termination of your employment with BTIG for any reason (other than a layoff due to structuring), you will not, directly or indirectly, within a fifty (50) mile radius of the New York Metropolitan Area, work for, be a consultant for, be employed by, or provide strategic advice to, any person, corporation, firm, or other entity engaged in a business that competes with the work of BTIG.”

- 1 • “(13)(c) Restrictive Covenants. During your employment with BTIG, and for the
2 period of one (1) year after your last day of employment, irrespective of the reason
3 your employment terminates or who initiates that termination, you agree that you
4 will not, directly or indirectly, (i) solicit or otherwise induce or attempt to induce
5 any employee of BTIG to end his or her employment with BTIG, or in any way
6 interfere with the relationship between BTIG and its employees, (ii) solicit for
7 employment or hire any employee of BTIG (or any individual who was an employee
8 of BTIG during the six (6) month period before your last day of employment) to
9 work for (as an employee, consultant, or otherwise) any business in competition
10 with BTIG (provided that this restriction does not apply to clients of BTIG with
11 whom you had a similar business relationship prior to your employment by BTIG),
12 or otherwise induce or attempt to induce any client of BTIG to stop doing business
13 with BTIG, or in any way interfere with the relationship between BTIG and any of
14 its clients, investors, or vendors.”
- 15 • “(13)(d) Restrictive Covenants. By initialing below, you acknowledge and agree to
16 the terms, conditions, and restrictions set forth in this Section 13, that your skills and
17 position with BTIG are unique and that any breach of the provisions in this Section
18 will cause irreparable harm. You further acknowledge and agree that the restrictions
19 imposed by this Section are reasonable and are required for the protection of BTIG,
20 and will not preclude you from becoming gainfully employed if and when your
21 employment with BTIG ends and after your expiration of the periods set forth in this
22 Section.”

13 180. Bhangale signed the offer letter, initialed every page of the offer letter, and initialed
14 under Section 13(d).

15 181. Bhangale’s updated employment agreement, dated February 10, 2021, included
16 nearly identical Confidential Information, Return of Documents and Other Property, and
17 Restrictive Covenant provisions, but converted the Restrictive Covenant provision in 13(b) to
18 instead give BTIG the right to place Bhangale on a three-month “Garden Leave” following
19 Bhangale’s giving BTIG written notice of termination or the termination of Bhangale’s
20 employment by BTIG. The provision provided that during this period of Garden Leave, Bhangale
21 “will continue to be bound by [her] duty of fidelity to BTIG and by the terms of this letter
22 agreement, and [she] may not directly or indirectly be employed by or provide services to any third
23 party or make any preparations to compete with BTIG.”

24 182. Bhangale signed the updated employment agreement, initialed every page of the
25 offer letter, and again initialed under Section 13(d).
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1 183. The BTIG Employee Manual contains similar obligations. In the Code of Conduct
2 section, the list of “prohibited conduct” includes “[g]iving confidential or proprietary Firm
3 information to competitors or other organizations, or to unauthorized Firm employees” and
4 “[w]orking for a competing business while an employee of the Firm.”

5 184. The Employee Manual’s section on Confidentiality provides that it is BTIG’s
6 “policy to ensure that the confidential, proprietary or trade secret operations, activities and business
7 affairs of the Firm,” including BTIG “financial records; reports; business plans and strategies;
8 marketing materials; client names, accounts, identification materials; vendors; suppliers; trade
9 secrets; inventions, programs, formulas, techniques and processes; and documents regarding
10 confidential Firm operations,” “must be handled in strict confidence.”

11 185. The Confidentiality policy continues that “[d]ocuments that [employees] create,
12 receive or maintain both inside and outside of the office, whether in electronic form or hard copy,
13 having to do with confidential, proprietary or trade secret information are the property of the firm,”
14 employees “are required to keep such data or information confidential unless disclosure is properly
15 authorized and/or necessary for business purposes,” “[n]o confidential, proprietary or trade secret
16 Firm documents or property may be removed from its premises without prior authorization,” and
17 that “[u]pon termination of employment, all the Firm’s documents and property in [former
18 employees’] possession including any information in hard copy or electronic form must be returned
19 to the firm.”

20 186. Bhangale acknowledged the BTIG Employee Manual on January 17, 2020, and July
21 6, 2020.

22 187. At BTIG, Bhangale was a Java developer and assisted Pfeuffer and Bhaduri with
23 front-end development for BTIG’s applications. Bhangale assisted Bhaduri and Pfeuffer with the
24 development and refinement of numerous of BTIG’s proprietary applications [REDACTED]
25 [REDACTED]

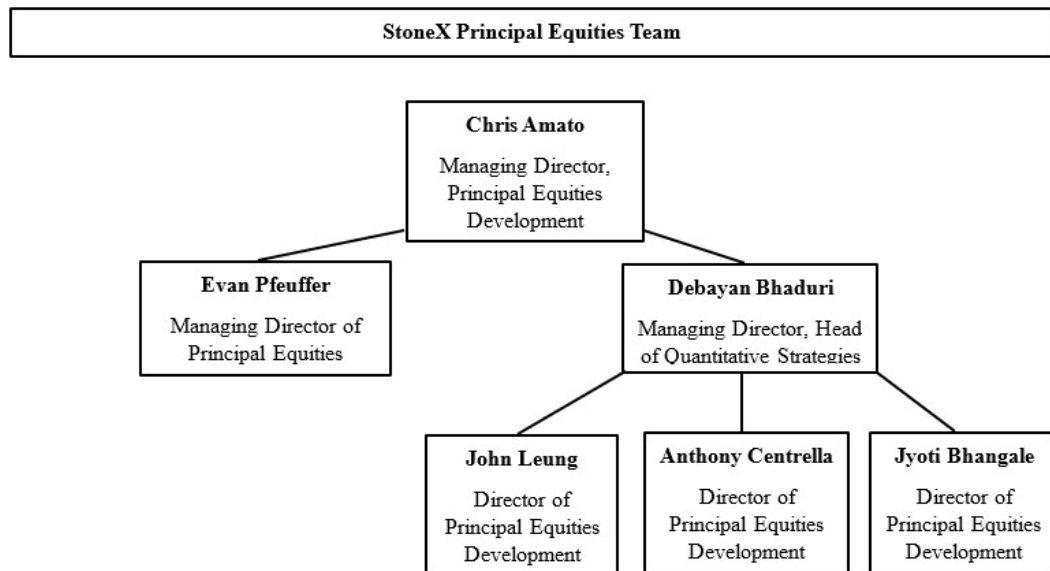
26 188. Effective September 6, 2021, Bhangale transferred to the new BTIG venture
27 referenced in the confidential emails Bhaduri exfiltrated. On April 13, 2022, Bhangale resigned
28 from that entity. Upon information and belief, later in 2022, Bhangale became a Software Engineer

1 at StoneX. Bhangale, upon information and belief, works with the Principal Equities team at
2 StoneX, which, among other things, develops software and algorithms to be used by the trading
3 desk and as part of Amato's efforts to launch an NMS Market Making team.

4 189. On September 2, 2021, BTIG provided Bhangale with its standard "Guide to
5 Leaving BTIG." Among other things, the Guide reiterated and reinforced Bhanagle's post-
6 employment obligations to BTIG: "You are required to abide by the terms outlined in your
7 employment letter or most recent official document regarding non-compete/non-solicit/non-
8 poaching ('restrictive covenants'). Failure to do so may lead to legal action."

9 190. During her employment, BTIG paid Bhangale [REDACTED]
10 [REDACTED]

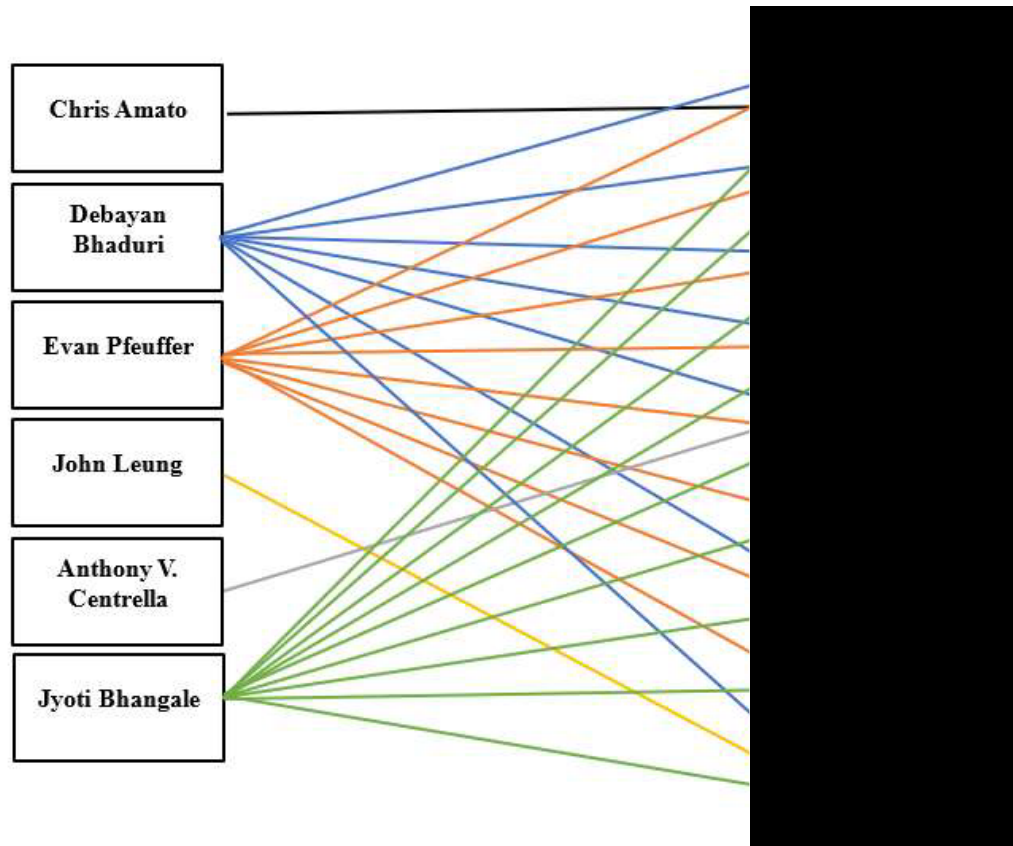
11 191. Upon information and belief, the Disloyal Employees are now working together on
12 the Principal Equities Team, under Amato's direction, as diagramed below:



23 **E. StoneX and the Disloyal Employees Violate their Contracts with BTIG and**
24 **Hide their Transition to StoneX**

25 192. In sum, StoneX hired a team of BTIG personnel with access to and experience in
26 almost every aspect of BTIG's proprietary, core trading, analytics and order execution technology
27 and platforms. The following diagram shows the Disloyal Employees and their relationship to
28 BTIG's core products:

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193. StoneX was aware of the BTIG employees’ obligations and duties to BTIG, their restrictive covenants, and their obligation to maintain the confidentiality of BTIG’s code and other proprietary information, at a minimum because those obligations are spelled out in the materials that, upon information and belief, Bhaduri forwarded to StoneX.

194. Rather than require its new employees to comply with their obligations to BTIG, however, StoneX used BTIG’s trade secrets to build competing products while directing the six former BTIG employees to hide their new roles.

195. Five of the Disloyal Employees began to work for StoneX within 90 days of their resignation from BTIG, most in contravention of the restrictive covenants in their employment agreements and their fiduciary duties to BTIG. Each of Amato, Pfeuffer, and Bhaduri solicited additional BTIG employees within the one-year period in which such solicitation was not permitted under their contracts with BTIG. This conduct was done at the direction of, with the knowledge of, and on behalf of StoneX.

196. Meanwhile, the Disloyal Employees obscured their association with StoneX. For instance, Amato, Centrella and Leung delayed updating their FINRA Broker Registrations to delay

1 discovery of their new employment with BTIG’s competitor, StoneX. Additionally, as of October
2 28, 2023, Pfeuffer’s LinkedIn profile does not list his current employment with StoneX, even
3 though it has been updated to show that he left BTIG in February 2021. As of October 28, 2023,
4 Bhangale’s LinkedIn profile states that she is still employed at BTIG, even though she left BTIG
5 on September 3, 2021.

6 197. Under the cover of those efforts, StoneX used the effort and know-how of these
7 personnel and the material they took with them to build competing software and products as
8 described below in Section H.

9 **F. StoneX Learns of a Portion of Bhaduri’s Conduct, and StoneX Signs False**
10 **Assurances that No Information Will Be Used**

11 198. Shortly after Bhaduri’s departure, BTIG discovered the emails Bhaduri had sent to
12 his personal email account. BTIG did not learn of Pfeuffer’s conduct at the time due to StoneX’s
13 and Pfeuffer’s deception and concealment and the extraordinary efforts he made to cover his tracks.

14 199. On February 12, 2021, BTIG, through counsel, wrote to both Bhaduri and StoneX
15 regarding Bhaduri’s violation of his confidentiality obligations. BTIG requested, among other
16 things, that StoneX confirm that none of the emails, documents or information Bhaduri sent from
17 his BTIG email to his personal email had been provided to, or used by, StoneX. The letter also
18 requested that StoneX represent that neither Bhaduri nor Pfeuffer had otherwise disclosed any
19 BTIG confidential or proprietary information to StoneX or any of its affiliates.

20 200. Ten days after BTIG’s initial letter, StoneX responded to assure BTIG that StoneX
21 “takes confidentiality protections matters seriously,” did not have in its possession any BTIG
22 confidential or proprietary information, and wished to discuss an amicable way forward.

23 201. In a March 5, 2021 agreement between BTIG, StoneX, Bhaduri, and Pfeuffer (the
24 “March 5, 2021 Agreement”), StoneX agreed to a forensic review to determine if any of the
25 Bhaduri BTIG Emails were forwarded to StoneX or otherwise were on StoneX’s system or
26 Bhaduri’s personal computers or other devices. That forensic review confirmed that Bhaduri had in
27 fact forwarded BTIG emails to StoneX.
28

1 202. Pursuant to the terms of the March 5, 2021 Agreement, which was signed by
2 StoneX's Assistant General Counsel, Craig L. Hymowitz, StoneX, Bhaduri and Pfeuffer agreed to
3 "take all necessary steps to permanently delete all BTIG Emails, attachments thereto, and the
4 contents or information contained therein" and to direct any StoneX employees that "saved,
5 received, downloaded or printed" a forwarded BTIG email or information contained therein "to
6 delete or destroy the information to the fullest extent possible". Further, StoneX agreed "not to use
7 any BTIG Email, the attachment or the information therein in any way (other than use by its
8 counsel in connection with this dispute and Letter Agreement)."

9 203. The March 5, 2021 Agreement also required both Bhaduri and Pfeuffer to sign
10 affirmations (the "Affirmations"), under the penalty of perjury, swearing that they had not
11 disclosed BTIG confidential or proprietary information to StoneX, would not do so in the future,
12 and had not retained any such information.

13 204. Pfeuffer as an employee of StoneX signed an affirmation, swearing under the
14 penalty of perjury, that:

- 15 a. "I have not retained in my possession, custody or control any documents,
16 material or information constituting or containing BTIG Confidential
17 Information (as defined in the BTIG Offer Letter I signed dated April 21, 2015
18 (the "Offer Letter"), including Confidential Information maintained in
19 electronically-stored format."
20 b. "I have not provided or disclosed, directly or indirectly, any BTIG Confidential
21 Information to any third-party (including, but not limited to, INTL FCStone
22 Inc., StoneX, Inc., or any affiliate, employee or agent thereof), including
23 Confidential Information maintained in electronically-stored format, and I will
24 not do so in the future."
25 c. "I have not used, in any way, BTIG Confidential Information except for the
26 benefit of BTIG, and I will not do so in the future."
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1 d. "I have and will continue to comply with the Confidential Information, Return
2 of Documents and other Property and Restrictive Covenants provisions set
3 forth in Sections 11, 12 and 13 of the Offer Letter."

4 205. Bhaduri as an employee of StoneX signed an affirmation, swearing under the
5 penalty of perjury, that:

6 a. "I have not otherwise provided or disclosed, directly or indirectly (including
7 verbally) any BTIG Confidential Information (as defined in the BTIG Offer
8 Letter I signed dated August 22, 2013 (the "Offer Letter")) to any third-party
9 (including, but not limited to, StoneX), and I agree that I will not do so in the
10 future."

11 206. Relying on these assurances and sworn statements, BTIG signed the March 5, 2021,
12 Agreement and did not take legal action against StoneX.

13 207. However, those representations were false. As described herein, StoneX, Pfeuffer,
14 and Bhaduri not only retained and continued to possess BTIG confidential information but went on
15 to use BTIG's confidential and proprietary information in violation of their Offer Letters, other
16 contractual obligations to BTIG, and sworn affirmations.

17 208. In addition, StoneX, Pfeuffer, and Bhaduri violated the March 5, 2021 Agreement
18 by continuing to possess and misuse BTIG's proprietary information on behalf of StoneX.

19 209. Bhaduri, Pfeuffer and StoneX knowingly made false representations in the March 5,
20 2021 Agreement and the attached Affirmations, in order to mislead BTIG into not taking further
21 action so that StoneX could profit from the use of BTIG's confidential, proprietary and trade secret
22 information, including additional information beyond what was discovered the BTIG Bhaduri
23 Emails.

24 **G. BTIG Discovers that StoneX Possesses Proprietary Software Code Stolen by**
25 **Evan Pfeuffer**

26 210. In January 2023, in connection with a lawsuit between StoneX and one of its former
27 employees, a StoneX engineer who worked with both Bhaduri and Pfeuffer to develop software
28 code for StoneX revealed a scheme by the Disloyal Employees and StoneX to incorporate BTIG's

1 proprietary code into StoneX's quantitative trading platform that, in the year and a half since it had
2 been implemented, had generated "millions of dollars using BTIG's trade secrets."

3 211. Specifically, the whistleblower explained that Pfeuffer incorporated BTIG's
4 proprietary code into StoneX's "Tampa" software code, a critical component of StoneX's market-
5 making applications system. The software engineer further explained that he "discovered numerous
6 references to BTIG in the Tampa code itself . . . and had discovered a reference to [BTIG's
7 Managing Director of Technology] in StoneX's Tampa code." It alleges that, according to
8 electronic log records, Pfeuffer checked BTIG's source code into StoneX's system and
9 incorporated it into StoneX's code.

10 212. As a result, StoneX's source code now contains references to BTIG, BTIG's San
11 Francisco-based software development team and – by name – the leader of that team.

12 213. The StoneX engineer also explained that "[i]n reviewing the Tampa source code,
13 [he] also uncovered multiple examples of near exact copies of BTIG code that Pfeuffer had sent
14 from his personal Gmail account to [his] personal email account in 2017" while employed at BTIG.

15 214. BTIG promptly informed StoneX that it had become aware of the misuse of its code
16 and demanded a detailed forensic analysis. StoneX responded that it had "performed an analysis of
17 its relevant code to identify any areas that suggest potential overlap with BTIG information or
18 code" and found "none implicates the confidential or proprietary information of BTIG, and StoneX
19 does not have BTIG's code." StoneX asserted that any area of overlap would be limited to public
20 domain code. This was false.

21 215. BTIG and StoneX in June 2023 agreed that an independent examination of StoneX's
22 Tampa code would be conducted by Robert Zeidman, a software engineer with expertise in the
23 determination of whether one computer program has been copied from another computer program.

24 216. BTIG and StoneX jointly retained Zeidman to conduct a forensic examination and
25 analysis to compare the Tampa code identified by the whistleblower to a code sample to be
26 provided to Zeidman by BTIG. Zeidman was engaged to conduct a forensic analysis to determine
27 whether, and to what extent, the Tampa code contains any part or segment of the BTIG Code.
28

1 217. Notably, the scope of this forensic effort was quite circumscribed. Zeidman was
2 provided by StoneX only with those specific, limited StoneX code excerpts submitted by the
3 whistleblower under seal in a separate action. Meanwhile, even those excerpts have not been
4 provided to BTIG. So, BTIG had to guess at what code excerpts to provide to Zeidman.
5 Nonetheless, in his August 1, 2023 “Final Forensic Source Code Analysis of StoneX and BTIG
6 Source Code”, Zeidman found that StoneX’s Tampa code included material from BTIG.

7 218. In his Final Report, Zeidman concludes that, based on his “extensive analysis
8 performed by comparing BTIG code files to StoneX Tampa code, it is [Zeidman’s] conclusion that
9 StoneX copied code from BTIG.”

10 219. Upon receiving the Zeidman report, StoneX disputed the conclusions and ceased
11 any cooperation with BTIG. StoneX refused BTIG’s requests for any further information or
12 disclosure.

13 **H. StoneX Uses BTIG Trade Secrets and Proprietary Information to Develop**
14 **Entire Competitive Platforms, Products, and Services**

15 220. In the two years since StoneX initiated its scheme, StoneX has used its illicit access
16 to BTIG’s software code, product architectures, know-how, confidential client information, and
17 other trade secrets and proprietary information to build entire competing business lines and
18 compete for BTIG’s customers.

19 221. As described above, the trading platforms at issue are unique to BTIG and the
20 business lines are highly specialized, with very few desks capable of operating at the level of BTIG
21 and its handful of real competitors.

22 222. To operate and compete successfully in BTIG’s business lines requires sophisticated
23 and bespoke software products and algorithms, developed, built, expanded, and enhanced (as in
24 BTIG’s case) over the course of years, and a treasure trove of proprietary information, knowledge,
25 and experience acquired over years of trading.

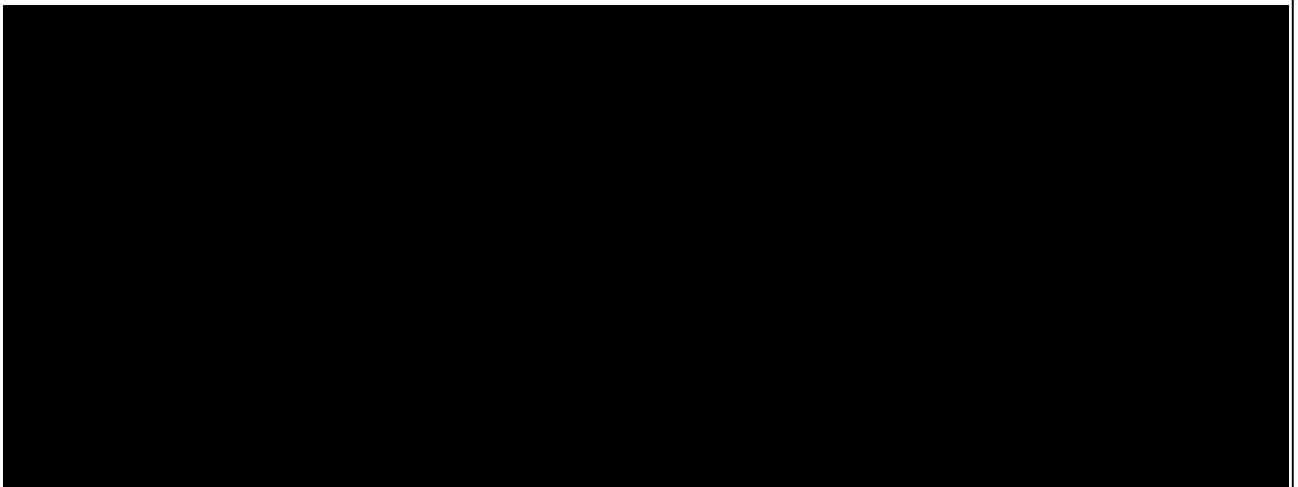
26 223. Without the benefit of BTIG’s software and other proprietary and trade secret
27 information, and new entrant would not be able to compete.
28

1 224. However, by stealing BTIG’s software and other proprietary and trade secret
2 information, StoneX was able to develop new trading businesses from scratch with a minimum of
3 lead time and compete for BTIG’s customers. Importantly, BTIG’s code was not only proprietary
4 and valuable in substance, concept, and content but was fully tested and operationalized, based on a
5 years’-long painstaking process. StoneX and the Disloyal Employees who stole that code knew that
6 and knew how valuable that would be the StoneX. Even if an entity had the ability to build an
7 equivalent system, it would have taken years to work out the bugs and obtain an operational, fully
8 reliable system. Rather than attempt such an endeavor, StoneX chose to steal BTIG’s.

9 225. To accomplish this, Bhaduri and Pfeuffer secretly exfiltrated BTIG’s code and other
10 proprietary and confidential information as described above. Because StoneX has refused to
11 provide the encryption keys used by Pfeuffer and because StoneX has refused to turn over the full
12 scope of material now in its possession, BTIG still does not know the full extent of what was taken.

13 226. Nonetheless, based on a third-party, independent, and neutral analysis of only small
14 portions of StoneX and BTIG’s code bases, a significant amount of BTIG code appears in StoneX’s
15 code base. Despite knowing of their conduct, StoneX continues to employ Pfeuffer and Bhaduri to
16 this day.

17 227. With the benefit of BTIG’s trade secrets and proprietary information, StoneX has
18 built newly successful lines of business that would have been otherwise impossible. StoneX
19 confirmed in its Q4 2021 earnings call that it had recently “rolled out a number of electronic
20 trading applications for our equity market making business” that “automated” its traders work and
21 “provide clients with additional capabilities and transparency when executing their orders”.



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[REDACTED]

bespoke and complex

232. In addition, the confidential, proprietary code and products that the Disloyal Employees developed and were exposed to at BTIG and took from BTIG could be adapted and likely have been used throughout StoneX’s business lines. For instance, [REDACTED] that Pfeuffer and Centrella worked to develop—would be highly valuable to StoneX, which greatly expanded its FX business through the 2020 acquisition of GAIN Capital Holdings, Inc., just months before it recruited the Disloyal Employees to join its ranks. Additionally, the [REDACTED] application that was central to Pfeuffer’s work at BTIG can be used to provide valuable analytics for more [REDACTED] Moreover, both [REDACTED] Even more fundamentally, the Disloyal Employees had access to proprietary code developed by BTIG’s longest and most senior developer—BTIG’s

1 Managing Director of Technology, who developed BTIG’s entire systems architecture. That
2 individual’s *name* appears in the stolen code already identified in BTIG’s systems.

3 233. Since December 2020, when StoneX hired the first of the Disloyal Employees and
4 began using BTIG’s proprietary information, StoneX’s stock price has increased by 60%, as shown
5 below, significantly outpacing the overall market and comparable benchmarks:



14 **CAUSES OF ACTION**

15 **FIRST CAUSE OF ACTION**

16 **Misappropriation of Trade Secrets**

17 **Civ. Code §§ 3426 *et seq.* (California Uniform Trade Secrets Act)**

18 **(Against All Defendants)**

19 234. BTIG re-alleges and incorporates herein the allegations set forth in all preceding
20 paragraphs.

21 235. BTIG owns trade secrets, as defined by California’s Uniform Trade Secrets Act
22 (“CUTSA”), Civil Code § 3426.1(d), including its bespoke and proprietary software systems,
23 algorithms, data, client and market information, and business structures and systems.

24 236. BTIG derives independent economic value from these trade secrets, including
25 competitive advantages that allow it to price options and securities, make trades, process orders,
26 and service clients more accurately, efficiently and cost-effectively, in turn allowing it to win
27 business and make greater profits on transactions.

28 237. BTIG takes precautions to ensure that its trade secrets and proprietary information
remains secret and secure, including as described in paragraphs 70 to 79 above.

1 238. BTIG’s trade secrets are not generally known nor readily ascertainable by other
2 persons who can obtain economic value from their disclosure or use.

3 239. While working for BTIG, the Disloyal Employees gained access to BTIG’s trade
4 secrets.

5 240. Beginning in at least February 2021, the Disloyal Employees provided BTIG’s trade
6 secrets to StoneX with StoneX’s knowledge and at StoneX’s direction, with the goal of creating
7 business lines and products to compete with BTIG. The Disloyal Employees integrated BTIG’s
8 trade secrets into StoneX systems while working on behalf of StoneX.

9 241. StoneX misappropriated BTIG’s trade secrets by improperly acquiring BTIG’s trade
10 secrets and using BTIG’s trade secrets without BTIG’s consent in operating its business and
11 building new lines of business as described above.

12 242. StoneX fraudulently concealed its misappropriation of trade secrets, including by
13 misrepresenting in the Affirmations of Bhaduri and Pfeuffer that neither had “provided or
14 disclosed, directly or indirectly (including verbally), any BTIG Confidential Information to any
15 third-party (including, but not limited to, StoneX Group, Inc., or any affiliate, employee or agent
16 thereof).”

17 243. As a result of Defendants’ misappropriation of BTIG’s trade secrets, BTIG has
18 suffered and will continue to suffer irreparable harm as well as damages in an amount to be proven
19 at trial.

20 244. As a result of Defendants’ misappropriation of BTIG’s trade secrets, Defendants
21 have been and will continue to be unjustly enriched.

22 245. As described in paragraphs 199 to 220, Defendants fraudulently concealed from
23 BTIG material facts underlying this cause of action by making material misrepresentations and
24 intentional nondisclosures about their theft of BTIG’s trade secrets that hid and delayed BTIG’s
25 discovery of significant events of trade secret misappropriations and on which BTIG justifiably
26 relied in terms of the timing of its investigation and discovery of the full scope of the
27 misappropriation and thus in filing of this lawsuit. As a result of Defendants’ misconduct, BTIG
28 did not discover the full extent of the conduct alleged herein until 2023.

1 246. BTIG is entitled to recover trebled damages and disgorgement and attorneys' fees
2 from Defendants because Defendants' misappropriation was willful, malicious, or done in bad
3 faith.

4 **SECOND CAUSE OF ACTION**
5 **Breach of Contract**
6 (Against All Defendants)

7 247. On March 5, 2021, BTIG and Defendants entered into a written contract, the March
8 5, 2021 Agreement, described above.

9 248. As part of the March 5, 2021 Agreement, Defendants agreed to provide truthful
10 affirmations of Pfeuffer and Bhaduri, in consideration of the contract.

11 249. As part of the March 5, 2021 Agreement, Defendants agreed to ensure it did not
12 receive and made no use of BTIG's confidential information, in consideration of the contract.

13 250. Defendants failed to comply with and complete the terms set forth in the March 5,
14 2021 Agreement.

15 251. Defendants breached the March 5, 2021 Agreement by failing to perform under the
16 contract.

17 252. Defendants breached the March 5, 2021 Agreement by failing to provide truthful
18 affirmations of Bhaduri and Pfeuffer, and failing to cease use of BTIG's confidential information,
19 including the Bhaduri emails, among other breaches.

20 253. As a result of the March 5, 2021 Agreement and BTIG's reliance on the promises
21 and representations Defendants made therein and in the accompanying affirmations, BTIG did not
22 pursue legal action related to Defendants' misappropriation of trade secrets for more than two
23 years, in which time Defendants continued to misuse BTIG's trade secrets and other proprietary
24 information to build competing products.

25 254. Since signing the March 5, 2021 Agreement, Defendants further misappropriated
26 and used BTIG's trade secrets and proprietary information, in part through building products that
27 compete with BTIG's products that rely on the trade secrets and proprietary information.
28

255. BTIG sustained general and consequential damages as a result of Defendants' breach of contract. Defendants obtained profits, valuable technology, and other sums to which they are not entitled.

256. The damages flow directly from and are the natural and probable consequence of Defendants' breach.

257. As described in paragraphs 199 to 220, Defendants fraudulently concealed from BTIG material facts underlying this cause of action by making material misrepresentations and intentional nondisclosures about their misuse of BTIG's proprietary information and breach of contracts that hid and delayed BTIG's discovery of significant events of misconduct and on which BTIG justifiably relied in terms of the timing of its investigation and discovery of the full scope of the misappropriation and thus in filing of this lawsuit. As a result of Defendants' misconduct, BTIG did not discover the full extent of the conduct alleged herein until 2023.

258. As a result of its failure to perform under and breaches of the March 5, 2021 Agreement, StoneX may not enforce any of the provisions of the March 5, 2021 Agreement.

THIRD CAUSE OF ACTION
Tortious Interference with Contractual Relations
(Against All Defendants)

259. BTIG re-alleges and incorporates herein the allegations set forth in all preceding paragraphs.

260. Each of the Disloyal Employees is subject to the terms and conditions of a valid and enforceable offer letter between the Former Employee and BTIG, including certain prohibitions on use and disclosure of confidential information and restrictive covenants and non-compete provisions, including the following:

(12) Confidential Information. In working with BTIG, you will have access to and may become acquainted with business plans, strategies, financial data, trade secrets, customer lists, contracts, intellectual property, and other confidential and/or proprietary information and materials of BTIG and its clients or other third parties (“Confidential Information”). You agree that, at all times, you will hold and maintain such Confidential Information in confidence. You agree that, during and after your employment with BTIG, you will not (i) disclose or make available any Confidential Information to any person who is not authorized by BTIG to receive

such Confidential Information, or (ii) use any Confidential Information for any purpose other than that which is authorized by BTIG.

(13) Return of Documents and Other Property. At any time upon our request, and when you leave your employment with BTIG, you are required and agree to deliver to BTIG, and not keep in your possession, copy, recreate, or deliver to any other person or entity, (i) all documents and materials containing any Confidential Information, whether such documents and materials were furnished to you by BTIG or one of its clients or were created by you, including all copies of such documents and materials, and whether in "hard copy" or in any electronically-stored format, and (ii) any and all other property that belongs to BTIG or that belongs to any other third party and is in your possession as a result of your employment with BTIG, whether created by you or another party.

(14)(b) Restrictive Covenants. You agree that, for the period of ninety (90) days immediately following the termination of your employment with BTIG for any reason (other than a layoff due to structuring), you will not, directly or indirectly, within a fifty (50) mile radius of the Chicago Metropolitan Area, work for, be a consultant for, be employed by, or provide strategic advice to, any person, corporation, firm, or other entity engaged in a business that competes with the work of BTIG.

(14)(c) Restrictive Covenants. During your employment with BTIG, and for the period of one (1) year after your last day of employment, irrespective of the reason your employment terminates or who initiates that termination, you agree that you will not, directly or indirectly, (i) solicit or otherwise induce or attempt to induce any employee of BTIG to end his or her employment with BTIG, or in any way interfere with the relationship between BTIG and its employees, (ii) solicit for employment or hire any employee of BTIG (or any individual who was an employee of BTIG during the six (6) month period before your last day of employment) to work for (as an employee, consultant, or otherwise) any business in competition with BTIG (provided that this restriction does not apply to clients of BTIG with whom you had a similar business relationship prior to your employment by BTIG), or otherwise induce or attempt to induce any client of BTIG to stop doing business with BTIG, or in any way interfere with the relationship between BTIG and any of its clients, investors, or vendors.

(14)(d) Restrictive Covenants. By initialing below, you acknowledge and agree to the terms, conditions and restrictions set forth in this Section 14, that your skills and position with BTIG are unique and that any breach of the provisions of this Section will cause irreparable harm. You further acknowledge and agree that the restrictions imposed by this Section are reasonable and are required for the protection of BTIG, and will not preclude you from becoming gainfully employed if and when your employment with BTIG ends and after your expiration of the periods set forth in this Section.

261. Each of the Former Employees is subject to the terms and conditions of a valid and enforceable Employee Manual, which each employee signed every year.

1 262. The Employee Manual lists as “prohibited conduct” “[g]iving confidential or
2 proprietary Firm information to competitors or other organizations, or to unauthorized Firm
3 employees” and “[w]orking for a competing business while an employee of the Firm.”

4 263. The Employee Manual’s section on Confidentiality provides that it is BTIG’s
5 “policy to ensure that the confidential, proprietary or trade secret operations, activities and business
6 affairs of the Firm,” including BTIG “financial records; reports; business plans and strategies;
7 marketing materials; client names, accounts, identification materials; vendors; suppliers; trade
8 secrets; inventions, programs, formulas, techniques and processes; and documents regarding
9 confidential Firm operations,” “must be handled in strict confidence.”

10 264. The Confidentiality policy provides that “[d]ocuments that [employees] create,
11 receive or maintain both inside and outside of the office, whether in electronic form or hard copy,
12 having to do with confidential, proprietary or trade secret information are the property of the firm,”
13 employees “are required to keep such data or information confidential unless disclosure if properly
14 authorized and/or necessary for business purposes,” “[n]o confidential, proprietary or trade secret
15 Firm documents or property may be removed from its premises without prior authorization,” and
16 that “[u]pon termination of employment, all the Firm’s documents and property in [former
17 employees’] possession including any information in hard copy or electronic form must be returned
18 to the firm.”

19 265. Defendants had reason to know of each of the these contractual obligations,
20 including because they are standard in the industry and because they were disclosed to Defendants
21 by the Disloyal Employees.

22 266. StoneX nonetheless induced, encouraged, and caused the Disloyal Employees to
23 work for StoneX immediately after their departure from BTIG and during the term of and in
24 violation of the non-compete and restrictive covenant provisions set forth above.

25 267. StoneX also induced, encouraged, and caused the Disloyal Employees to take BTIG
26 software and confidential information to StoneX in violation of the confidentiality provisions set
27 forth above.

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268. By employing the Disloyal Employees and knowingly utilizing the confidential, proprietary and trade secret information misappropriated by the Former Employees, StoneX's conduct caused the Former Employees to breach the contractual provisions set forth above.

269. Defendants intended to disrupt the performance of the contractual provisions set forth above and knew that disruption of performance of the contractual provisions set forth above was certain or substantially certain to occur.

270. BTIG was harmed as a result and StoneX was enriched as a result.

271. As described in paragraphs 199 to 220, Defendants fraudulently concealed from BTIG material facts underlying this cause of action by making material misrepresentations and intentional nondisclosures about their misuse of BTIG's proprietary information and breach of contracts that hid and delayed BTIG's discovery of significant events of misconduct and on which BTIG justifiably relied in terms of the timing of its investigation and discovery of the full scope of the contractual breaches and thus in filing of this lawsuit. As a result of Defendants' misconduct, BTIG did not discover the full extent of the conduct alleged herein until 2023.

272. Defendants' conduct was a substantial factor in causing BTIG's harm and StoneX's enrichment.

FOURTH CAUSE OF ACTION

Fraud

(Against All Defendants)

273. BTIG re-alleges and incorporates herein the allegations set forth in all preceding paragraphs.

274. As alleged herein, Defendants made deliberate, knowingly false representations to BTIG concerning their misappropriation of BTIG's trade secrets and confidential information in employee departure meetings, during 2021 discussions leading to the execution of the March 5, 2021 Agreement, including between counsel for the Parties, and during discussions between counsel for both BTIG and StoneX in 2023.

275. Defendants' misrepresentations include, but are not limited to, false statements by Bhaduri, Pfeuffer, Leung, Centrella and Bhangale during their departure meetings representing that they had complied and would comply with their obligations regarding BTIG's trade secret

1 information. These statements were made on behalf of StoneX, as the individuals made these
2 statements after StoneX had begun recruiting, and in some instances, onboarding them as new
3 employees and as part of a common plan to hide from BTIG the scope of StoneX's efforts to
4 duplicate its products and systems. Further, StoneX was aware that it was recruiting these
5 employees in violation of the restrictive covenants in BTIG's employment agreements, which were
6 industry standard and which Bhaduri had, upon information and belief, forwarded to StoneX no
7 later than February 2021.

8 276. Defendants' misrepresentations also include false statements by StoneX, Pfeuffer,
9 and Bhaduri in February and March 2021, including in sworn March 5, 2021 affirmations, that they
10 had deleted any and all BTIG proprietary information in their possession and that they would not
11 use any such information going forward.

12 277. Pursuant to the terms of the March 5, 2021 agreement, StoneX (through its Assistant
13 General Counsel, Hymowitz), Bhaduri and Pfeuffer agreed to "take all necessary steps to
14 permanently delete all BTIG Emails, attachments thereto, and the contents or information
15 contained therein" and to direct any StoneX employees that "saved, received, downloaded or
16 printed" a forwarded BTIG email or information contained therein "to delete or destroy the
17 information to the fullest extent possible". Further, StoneX agreed "not to use any BTIG Email, the
18 attachment or the information therein in any way (other than use by its counsel in connection with
19 this dispute and Letter Agreement)." In fact, StoneX, Bhaduri, and Pfeuffer continued to use
20 BTIG's confidential information, such that these promises were false when made and StoneX,
21 Bhaduri, and Pfeuffer had no intention to act in comportment with them.

22 278. Pursuant to the March 5, 2021 agreement Bhaduri and Pfeuffer on behalf of
23 themselves and StoneX signed Affirmations under the penalty of perjury, swearing that they had
24 not disclosed BTIG confidential or proprietary information to StoneX and would not do so in the
25 future.

26 279. Pfeuffer as an employee of StoneX signed an affirmation, swearing under the
27 penalty of perjury, that:
28

- 1 a. "I have not retained in my possession, custody or control any documents,
2 material or information constituting or containing BTIG Confidential
3 Information (as defined in the BTIG Offer Letter I signed dated April 21, 2015
4 (the "Offer Letter"), including Confidential Information maintained in
5 electronically-stored format."
- 6 b. "I have not provided or disclosed, directly or indirectly, any BTIG Confidential
7 Information to any third-party (including, but not limited to, INTL FCStone
8 Inc., StoneX, Inc., or any affiliate, employee or agent thereof), including
9 Confidential Information maintained in electronically-stored format, and I will
10 not do so in the future."
- 11 c. "I have not used, in any way, BTIG Confidential Information except for the
12 benefit of BTIG, and I will not do so in the future."
- 13 d. "I have and will continue to comply with the Confidential Information, Return
14 of Documents and other Property and Restrictive Covenants provisions set
15 forth in Sections 11, 12 and 13 of the Offer Letter."

16 280. Bhaduri as an employee of StoneX signed an affirmation, swearing under the
17 penalty of perjury, that:

- 18 a. "I have not otherwise provided or disclosed, directly or indirectly (including
19 verbally) any BTIG Confidential Information (as defined in the BTIG Offer
20 Letter I signed dated August 22, 2013 (the "Offer Letter")) to any third-party
21 (including, but not limited to, StoneX), and I agree that I will not do so in the
22 future."

23 281. These Affirmations were false when made. In fact, Pfeuffer and Bhaduri continued
24 to possess significant BTIG confidential information and to use that information on behalf of
25 StoneX over the following years.

26 282. Defendants also made misrepresentations during 2023 discussions between BTIG's
27 counsel and StoneX's counsel when StoneX's counsel represented from the outset that "StoneX
28 performed an analysis of its relevant code to identify any areas that suggest potential overlap with

1 BTIG information or code” and found none. This was false, as confirmed by the analysis of the
2 parties’ independent expert, Zeidman, who concluded that “StoneX copied code from BTIG”.

3 283. BTIG reasonably relied on Defendants’ representations. As a result of Defendants’
4 misrepresentations during employee departure meetings, during the negotiations leading the March
5 5, 2021 Agreement and associated Affirmations, and in the March 5, 2021 Agreement and
6 Affirmations themselves, BTIG entered into the March 5, 2021 Agreement and delayed pursuing
7 further legal efforts against Defendants. As a result, Defendants obtained years of additional use of
8 BTIG’s intellectual property.

9 284. As described in paragraphs 199 to 220, Defendants fraudulently concealed from
10 BTIG material facts underlying this cause of action by making material misrepresentations and
11 intentional nondisclosures about their misuse of BTIG’s proprietary information and the
12 truthfulness of their statements to BTIG that hid and delayed BTIG’s discovery of significant
13 events of misconduct and on which BTIG justifiably relied in terms of the timing of its
14 investigation and discovery of the full scope of the misrepresentations and thus in filing of this
15 lawsuit. As a result of Defendants’ misconduct, BTIG did not discover the full extent of the
16 conduct alleged herein until 2023.

17 285. As a result of Defendants’ fraud, BTIG has suffered damages in an amount to be
18 proven at trial.

19 286. Further, as a result of Defendants’ fraud, the March 5, 2021 Agreement is void.

20 **FIFTH CAUSE OF ACTION**
21 **Fraudulent Concealment**
(Against All Defendants)

22 287. BTIG re-alleges and incorporates herein the allegations set forth in all preceding
23 paragraphs.

24 288. As alleged herein, Defendants concealed material facts from BTIG during 2021
25 discussions leading to the execution of the March 5, 2021 Agreement, furthered by deliberate and
26 intentional misrepresentations to discourage BTIG from investigating and discovering the truth of
27 the matter.
28

1 289. Defendants knowingly and intentionally concealed that they had exfiltrated and
2 were continuing to use BTIG's proprietary information and software code, despite making
3 representations to the contrary during these discussions and in the March 5, 2021 Agreement, as
4 described in paragraphs 199 to 220 above.

5 290. StoneX further knowingly and intentionally concealed that it had hired three
6 additional BTIG employees in violation of their restrictive covenants and was using these
7 employees to misappropriate additional proprietary information and software code from BTIG.
8 StoneX instructed those employees to hide their employment from BTIG as described above.

9 291. StoneX and its employees, Pfeuffer and Bhaduri, and the other Disloyal Employees
10 further knowingly and intentionally concealed that they were actively working on projects that built
11 upon and incorporated proprietary information and software code from BTIG despite representing
12 that they were not doing so in these discussions and in the March 5, 2021 Agreement.

13 292. StoneX and the Disloyal Employees engaged in this concealment intentionally in
14 order to induce BTIG to enter into the March 5, 2021 Agreement, to delay pursuing legal action,
15 and so that BTIG would not uncover Defendants' misconduct.

16 293. Defendants' had a duty disclose the concealed facts by virtue of the parties'
17 relationship, their negotiation of the March 5, 2021 Agreement, and Defendants' partial and
18 misleading disclosure of contrary facts.

19 294. BTIG reasonably relied on the false factual picture created by Defendants'
20 concealment of material facts when it entered into the March 5, 2021 Agreement, delayed pursuing
21 legal action, and limited its investigation into Defendants' misconduct.

22 295. Had BTIG known the truth, it would not have entered into the March 5, 2021
23 Agreement and would have uncovered and stopped Defendants' misappropriation years earlier.

24 296. As a result of Defendants' fraud, BTIG has suffered damages in an amount to be
25 proven at trial.

26 297. As described in paragraphs 199 to 220, Defendants fraudulently concealed from
27 BTIG material facts underlying this cause of action by making material misrepresentations and
28 intentional nondisclosures about their misuse of BTIG's proprietary information and the

1 truthfulness of their statements to BTIG that hid and delayed BTIG's discovery of significant
2 events of misconduct and on which BTIG justifiably relied in terms of the timing of its
3 investigation and discovery of the full scope of the concealments and thus in filing of this lawsuit.
4 As a result of Defendants' misconduct, BTIG did not discover the full extent of the conduct alleged
5 herein until 2023.

6 298. Further, as a result of Defendants' fraudulent concealment, the March 5, 2021
7 Agreement is void.

8 **SIXTH CAUSE OF ACTION**
9 **Fraudulent Inducement**
(Against All Defendants)

10 299. BTIG re-alleges and incorporates herein the allegations set forth in all preceding
11 paragraphs.

12 300. As alleged herein, Defendants made deliberate and intentional misrepresentations,
13 including the false representations and fraudulent omissions and concealments as listed in
14 paragraphs 199 to 210 above, during 2021 discussions leading to the execution of the March 5,
15 2021 Agreement.

16 301. StoneX and its employees, Pfeuffer and Bhaduri, made these misrepresentations
17 intentionally in order to induce BTIG to enter into the March 5, 2021 Agreement, to forbear from
18 pursuing legal action, and to circumscribe its investigation into Defendants' misconduct.

19 302. BTIG reasonably relied on Defendants' misrepresentations when it entered into the
20 March 5, 2021 Agreement and delayed pursuing legal action.

21 303. Had BTIG known the truth, it would not have entered into the March 5, 2021
22 Agreement and would have uncovered and stopped Defendants' misappropriation years earlier.

23 304. As described in paragraphs 199 to 220, Defendants fraudulently concealed from
24 BTIG material facts underlying this cause of action by making material misrepresentations and
25 intentional nondisclosures about their misuse of BTIG's proprietary information and the
26 truthfulness of their statements to BTIG that hid and delayed BTIG's discovery of significant
27 events of misconduct and on which BTIG justifiably relied in terms of the timing of its
28 investigation and discovery of the full scope of the concealments and misrepresentations and thus

1 in filing of this lawsuit. As a result of Defendants' misconduct, BTIG did not discover the full
2 extent of the conduct alleged herein until 2023.

3 305. As a result of Defendants' fraud, BTIG has suffered damages in an amount to be
4 proven at trial and the March 5, 2021 Agreement is void at BTIG's option.

5 **SEVENTH CAUSE OF ACTION**

6 **Conversion**

(Against All Defendants)

7 306. BTIG re-alleges and incorporates herein the allegations set forth in all preceding
8 paragraphs.

9 307. BTIG owns significant code, and proprietary information, whether of a trade secret
10 or non-trade secret nature.

11 308. Defendants substantially interfered with BTIG's property by knowingly and
12 intentionally taking possession of and misappropriating the code and other proprietary information,
13 including by encrypting said material.

14 309. BTIG did not consent to Defendants taking possession of and misappropriating its
15 code and other proprietary information.

16 310. BTIG was harmed as a result.

17 311. Defendants' conduct was a substantial factor in causing BTIG's harm.

18 312. As described in paragraphs 199 to 220, Defendants fraudulently concealed from
19 BTIG material facts underlying this cause of action by making material misrepresentations and
20 intentional nondisclosures about their misuse of BTIG's proprietary information and the
21 truthfulness of their statements to BTIG that hid and delayed BTIG's discovery of significant
22 events of misconduct and on which BTIG justifiably relied in terms of the timing of its
23 investigation and discovery of the full scope of the thefts and thus in filing of this lawsuit. As a
24 result of Defendants' misconduct, BTIG did not discover the full extent of the conduct alleged
25 herein until 2023.

EIGHTH CAUSE OF ACTION
Unjust enrichment/Quantum Meruit

313. BTIG re-alleges and incorporates herein the allegations set forth in all preceding paragraphs.

314. Defendants obtained an advantage or benefit that it otherwise would not have but for their taking use of BTIG's proprietary information, breaches of contracts and inducement to breaches of contract, and misrepresentations to BTIG by which they persuaded BTIG to delay taking action to prevent the misuse.

315. Defendants received this benefit at BTIG's expense, through more than two years of use of BTIG's proprietary information.

316. Defendants did not compensate BTIG for this benefit.

317. As described in paragraphs 199 to 220, Defendants fraudulently concealed from BTIG material facts underlying this cause of action by making material misrepresentations and intentional nondisclosures about their misuse of BTIG's proprietary information and the truthfulness of their statements to BTIG that hid and delayed BTIG's discovery of significant events of misconduct and on which BTIG justifiably relied in terms of the timing of its investigation and discovery of the full scope of the misconduct and thus in filing of this lawsuit. As a result of Defendants' misconduct, BTIG did not discover the full extent of the conduct alleged herein until 2023.

318. Defendants were unjustly enriched from the inequitable benefit.

319. It would be unjust or unfair for Defendants to retain this benefit without compensating BTIG.

NINTH CAUSE OF ACTION
Declaratory Relief / Rescission
(Against All Defendants)

320. BTIG re-alleges and incorporates herein the allegations set forth in all preceding paragraphs.

321. BTIG and Defendants entered into a written contract, the March 5, 2021 Agreement.

1 322. The March 5, 2021 Agreement was fraudulently induced as described above in
2 paragraphs 199 to 210.

3 323. Defendants breached the March 5, 2021 Agreement as described above in
4 paragraphs 211 to 234.

5 324. Defendants' failure to perform and breach of contract is material, going to the
6 essence of the contract.

7 325. Rescission of the contract is warranted for fraud due to Defendants' intentional
8 misrepresentations and concealments.

9 326. BTIG justifiably relied to its detriment on the intentional misrepresentations made
10 by Defendants in breach of Defendants' duties under the contract.

11 327. As described in paragraphs 199 to 220, Defendants fraudulently concealed from
12 BTIG material facts underlying this cause of action by making material misrepresentations and
13 intentional nondisclosures about their misuse of BTIG's proprietary information and the
14 truthfulness of their statements to BTIG that hid and delayed BTIG's discovery of significant
15 events of misconduct and on which BTIG justifiably relied in terms of the timing of its
16 investigation and discovery of the full scope of the misconduct and thus in filing of this lawsuit. As
17 a result of Defendants' misconduct, BTIG did not discover the full extent of the conduct alleged
18 herein until 2023.

19 328. BTIG is entitled to rescind the contract based on Defendants' fraud, failure of
20 consideration, and non-performance, which are grounds for rescission in California Civil Code
21 Section 1689(b).

22 329. BTIG sustained consequential damages because of Defendants' aforementioned
23 fraud and breach of contract.

24 330. Service of this pleading shall constitute notice of rescission of the contract by BTIG.

25 331. BTIG is entitled to declaratory relief that the contract has been rescinded.
26
27
28

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays that the Court issue the following relief:

- A. Preliminary and permanent injunctive relief enjoining Defendants from using or disclosing BTIG's trade secrets or other proprietary information;
- B. Declaratory relief by the Court determining that the March 5, 2021 Agreement has been rescinded;
- C. Damages in an amount to be determined at trial;
- D. Disgorgement of all revenues, profits, enrichment, or other benefits that Defendants received as a result of their wrongful conduct;
- E. Treble damages and disgorgement;
- F. Return of all BTIG property in StoneX's possession;
- G. Punitive and exemplary damages;
- H. BTIG's attorneys' fees and costs; and
- I. All such other and further relief as the Court may deem just, proper, and equitable.

Dated: November 13, 2023

Respectfully submitted,

BRAUNHAGEY & BORDEN LLP

By: 
J. Noah Hagey


Attorneys for Plaintiff BTIG, LLC

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DEMAND FOR JURY TRIAL

Plaintiff hereby demands a jury trial of all claims and causes of action triable before a jury.

Dated: November 13, 2023

Respectfully submitted,
BRAUNHAGEY & BORDEN LLP

By: _____
J. Noah Hagey
Attorneys for Plaintiff BTIG, LLC