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13 *First-Citizens Bank & Trust Company*

14 **UNITED STATES DISTRICT COURT**
15 **NORTHERN DISTRICT OF CALIFORNIA**

16 FIRST-CITIZENS BANK & TRUST COMPANY, a
North Carolina Corporation,

17 Plaintiff,

18 vs.

19 HSBC HOLDINGS plc *a/k/a* THE HSBC GROUP
20 *a/k/a* HONGKONG AND SHANGHAI BANKING
CORPORATION, an English Corporation; HSBC
21 USA Inc., a Delaware Corporation; HSBC BANK
USA, N.A., a Delaware Corporation; HSBC UK
22 BANK plc., an English and Welsh Corporation;
SILICON VALLEY BANK UK LIMITED *n/k/a*
23 HSBC INNOVATION BANK LIMITED, an
English and Welsh Corporation; DAVID
24 SABOW, an individual; SUNITA PATEL, an
individual; MELISSA STEPANIS, an individual;
25 PETER KIDDER, an individual; KEVIN LONGO,
an individual; REBEKAH HANLON, an individual;
26 and KATHERINE ANDERSEN, an individual,

27 Defendants.
28

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Case No. 3:23-cv-02483-LB

**PLAINTIFF FIRST-CITIZENS
BANK & TRUST COMPANY'S
FIRST AMENDED COMPLAINT**

JURY TRIAL DEMANDED

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1 For its Complaint, Plaintiff, First-Citizens Bank & Trust Company (“First Citizens”),
2 states as follows against Defendants, HSBC Holdings plc *a/k/a* The HSBC Group *a/k/a*
3 Hongkong and Shanghai Banking Corporation (“HSBC Holdings”), HSBC USA Inc. (“HUSI”),
4 HSBC Bank USA, N.A. (“HSBC Bank USA”), HSBC UK Bank plc (“HSBC UK”), Silicon
5 Valley Bank UK Limited *n/k/a* HSBC Innovation Bank Limited (“SVB UK”) (the entity
6 defendants are sometimes collectively referred to herein as the “HSBC Entities”); Sunita Patel
7 (“Patel”), Melissa Stepanis (“Stepanis”), Peter Kidder (“Kidder”), Kevin Longo (“Longo”),
8 Rebekah Hanlon (“Hanlon”), and Katherine Andersen (“Andersen”) (collectively “Individual
9 Defendants”); and David Sabow (“Sabow”) (all defendants collectively, “Defendants”):

10 I. INTRODUCTION

11 On March 27, 2023, First Citizens acquired certain assets and liabilities of Silicon Valley
12 Bank (“SVB”), which had failed two weeks before. Unbeknownst to First Citizens, Defendants
13 were already weeks into executing a scheme to plunder the “core of [SVB’s] profitability engine”
14 and create a business that, once lifted out, would be able to immediately and effectively compete
15 against First Citizens, without investing the time or resources necessary to start and grow a new
16 business. Defendants brazenly took and misused SVB’s confidential, proprietary and trade secret
17 information to execute their scheme. Indeed, Defendant David Sabow, the chief architect of this
18 scheme, acted as if SVB’s “profitability engine”—and the proprietary information about it—was
19 his for the taking. He was wrong.

20 Just two weeks after First Citizens acquired certain assets and liabilities of SVB,
21 Defendants executed the first “wave” of their scheme, raiding forty-two First Citizens employees
22 over the Easter holiday weekend, coordinating mass resignations at around 9:00 p.m. on Easter
23 Sunday, April 9, 2023 without notice. Over the course of about thirty minutes, these employees
24 resigned *en masse* by email, effective immediately. Led to HSBC Bank USA by Sabow, who had
25 promised them great fortune for their defection, all forty-two were onboarded without delay.

26 Defendants’ theft and misuse of confidential, proprietary and trade secret information,
27 deliberate disruption of First Citizens’ business operations, unfair competition, and other unlawful
28 conduct demand a substantial award of compensatory and punitive damages in an amount to be

1 proved at trial, in excess of \$1 billion.

2 **II. NATURE OF THE CASE**

3 1. When SVB collapsed on Friday, March 10, 2023, it sent shockwaves through the
4 worldwide economy and triggered immediate action from governmental regulators. The Federal
5 Deposit Insurance Corporation (“FDIC”) assumed control of SVB and began looking for a
6 healthy and stable bank to buy it.

7 2. A similar process played out across the Atlantic, where the Bank of England
8 exercised its supervisory powers to seize the assets of SVB’s UK affiliate, SVB UK. While it
9 would take just over two weeks for SVB to find a new home in the United States with First
10 Citizens, SVB UK was acquired by Defendant HSBC UK on Monday, March 13, 2023, for a
11 nominal £1 (approximately \$1.21).

12 3. Immediately upon the acquisition of SVB UK, Sabow became an HSBC executive.
13 Sabow had been a senior executive of SVB just months before. Together, the HSBC Entities and
14 Sabow immediately engineered a scheme to plunder what Sabow deemed the “core of [SVB’s]
15 profitability engine.” (The role of each of the HSBC Entities’ involvement in this scheme is set
16 forth in more detail below.) Sabow called this scheme Project Colony. As a recent SVB senior
17 executive, he was uniquely situated to lead the execution of this scheme, which he memorialized
18 in a written plan that he shared with the HSBC Entities.

19 **A. Trade Secrets and Confidential Information**

20 4. One part of the scheme was to unlawfully misappropriate SVB’s and First
21 Citizens’ confidential, proprietary and trade secret information. That information included:

- 22 • tables of data reflecting SVB’s U.S. Accelerator & Growth “win rate” and volumes
23 against its core competitors;
- 24 • data and the underlying analysis supporting SVB’s market share within the particular
25 U.S. market segments and borrower types;
- 26 • data regarding SVB’s Life Sciences & Technology market share percentages based on
27 market capitalization and the total amounts that SVB’s Life Sciences & Technology
28 team had in deposits and investments in clients with the amount of future
commitments, broken down by types of financing arrangements SVB Life Sciences &
Technology is to make and the expected Gross Profit growth, efficiency, and yields on
this SVB team’s investments and relationships;

- 1 • SVB’s practice overview notes, including the pace at which “right now” SVB’s
2 Accelerator & Growth group adds clients, qualitative and quantitative numbers of
clients, as well as an internal ranking of clients according to SVB’s valuation criteria;
- 3 • extensive compilations of information regarding SVB’s clients relevant to their needs
4 for the services provided by SVB;
- 5 • information regarding SVB’s employee capacity, head count, and ability to attract and
6 meet the needs of the particular customers targeted by SVB;
- 7 • information identifying the names, positions and salaries of dozens of former SVB
employees that Sabow had identified as “key professionals,” as well as their locations,
8 skillsets and performance/capability ratings, and the markets they covered;
- 9 • information regarding SVB’s loan portfolios with implied revenue and growth; and
- an analysis of SVB’s loans within its Accelerator & Growth Group.

10 5. Sabow’s written financial projections in Project Colony were based on and
11 incorporated SVB’s and First Citizens’ confidential, proprietary and trade secret information.

12 6. When Sabow needed additional proprietary information to fill in parts of Project
13 Colony, he got it from the individually named Defendants as well as other, unsuspecting
14 SVB/First Citizens employees in the United States—sometimes telling them (falsely) it was okay
15 because he was coming back to SVB in the U.S. In one instance, after an employee asked Sabow
16 whether he still worked for SVB, Sabow directed the employee to send the proprietary
17 information he sought to Defendant Patel. Upon receiving the proprietary information, Patel
18 provided it to Sabow to help develop Project Colony.

19 7. Like the written financial projections for Project Colony, Sabow and others
20 formulated employment and compensation offers for future employees using SVB’s and First
21 Citizens’ confidential information.

22 8. By improperly obtaining and misusing SVB’s and First Citizens’ confidential and
23 proprietary information, the HSBC Entities and Sabow short-circuited the normally expensive
24 and lengthy process to do things such as conduct market research and develop competent
25 financial projections necessary for launching a commercial banking business of the nature
26 contemplated by Project Colony. Instead, in a matter of a few weeks, the Defendants were able to
27 develop and execute Project Colony. In Sabow’s own words, Project Colony was about
28 “recreating a better version of the prior dominant platform” at SVB.

1 **B. “Lifting Out” Key Employees**

2 9. Another part of the scheme required the HSBC Entities “to move quickly” to hire
3 “six identified core leaders in the U.S.,” along with an initial wave of an “additional 35
4 professionals already identified” who were also First Citizens employees. Sabow referred to these
5 six core leaders interchangeably as the “Founders” or the “Pillars.” Individual Defendants Patel,
6 Stepanis, Kidder, Longo, Hanlon, and Andersen were chosen as the “Pillars” because Sabow
7 considered them to be “key functional leaders” with “superb client and employee followership.”
8 In fact, First Citizens likewise considered these individuals to be “key functional leaders” and had
9 anticipated them continuing as members of First Citizens’ transition team to lead post-acquisition
10 activity for the combined SVB-First Citizens team.

11 10. With the direction, approval, aid and encouragement of all of the HSBC Entities,
12 Sabow and HSBC Bank USA promised the Pillars leadership roles and substantial
13 compensation—so long as they joined Sabow’s quest to “lift out” the additional thirty-five-plus
14 employees from SVB’s “profitability engine.”

15 11. The leadership of each of the HSBC Entities agreed to help orchestrate and fund
16 Project Colony, which contemplated HSBC Bank USA hiring the forty-two employees that
17 Sabow had selected because Sabow told the leadership of each of the HSBC Entities that HSBC
18 as an institution stood to profit well over \$1 billion from this plan within the next five years.

19 12. While formulating Project Colony, Sabow planned that “*if a no name regional*
20 *bank acquires the team and assets, I am going to build something to put them out of business,*
21 *because our team members and the market deserves better.*” (Emphasis added). Sabow also asked
22 some of the Individual Defendants to plan for “what parts of SVB” they would want to “retain”
23 and to dream about what they could do with those assets. Sabow ambitiously viewed the SVB
24 team as his own, and it did not matter to him that “the team and assets” were not his to sell.

25 13. After Sabow and the HSBC Entities financially incited the Pillars, each Pillar
26 was tasked with recruiting their “key professional” subordinates while still employed by First
27 Citizens. Undeterred by the duties of loyalty they owed to First Citizens and, for some of them,
28 their contractual obligations not to solicit fellow employees, the Pillars conspired with the other

1 Defendants to execute Project Colony. Never once did the Pillars communicate to First Citizens'
2 leaders that the business was under attack from within, or do anything to stop it.

3 **C. Execution of the Scheme**

4 14. Over the Easter holiday weekend, HUSI, HSBC Bank USA, Sabow, and the six
5 Pillars (who were at that time employees of First Citizens) orchestrated a massive lift-out by
6 interviewing and extending high-pressure offers to select First Citizens employees, arranging
7 virtual meetings and direct communications with one or more HUSI and HSBC Bank USA senior
8 executives, preparing and coordinating *en masse* resignations, and ensuring immediate
9 onboarding.

10 15. Around nine o'clock on Easter Sunday evening, April 9, 2023, more than forty
11 First Citizens employees, including the six Pillars, began submitting their resignations via email,
12 effective immediately. Within approximately thirty minutes, they had all resigned without any
13 prior notice to First Citizens.

14 16. If stable banks are to be incented to rescue failed banks to restore financial
15 stability, opportunistic competitors and insiders cannot take and replicate the bank's assets—its
16 highly sensitive confidential, proprietary and trade secret information—before the resolution can
17 be implemented, like the Defendants did here. To permit otherwise not only condones a breach of
18 legal obligations but discourages stable banks from coming to the rescue when other banks fail.

19 17. The “profitability engine” of SVB was not Defendants’ to “colonize.” Rather, First
20 Citizens properly acquired it through the process established by the government to protect SVB’s
21 customers and maintain the integrity of the financial system. First Citizens did so with the
22 reasonable expectation that the purchase would be free from unlawful interference by third
23 parties.

24 18. First Citizens remains the healthy and stable bank, it has been for 125 years. But as
25 with any other rescuer of a failed bank, First Citizens is entitled to protect its rights of exclusive
26 ownership of its property. Defendants have wrongfully interfered with those rights, and First
27 Citizens is entitled to compensation from them. First Citizens’ claims against Defendants relate to
28 Defendants’ theft and interference with the property rights that First Citizens acquired,

1 Defendants' intentional disruption to First Citizens' business operations, and the loss of future
2 profits and other damages.

3 **III. THE PARTIES**

4 19. Plaintiff First Citizens is a corporation organized under the laws of the state of
5 North Carolina, with its principal place of business located at 4300 Six Forks Road, Raleigh,
6 North Carolina 27609.

7 20. Defendant HSBC Holdings is a corporation organized under the laws of England,
8 with its headquarters located at 8 Canada Square, London E14 5HQ, United Kingdom. HSBC
9 Holdings is the ultimate corporate parent of each of the other entity defendants: HUSI, HSBC
10 Bank USA, HSBC UK, and SVB UK. HSBC Holdings undertook the unlawful conduct described
11 below by and through the actions of its employees and agents, including Noel Quinn (its CEO),
12 Greg Guyett (its CEO of Global Banking & Markets), Barry O'Byrne (its CEO of Global
13 Commercial Banking), Willard McLane (its Group Head of Strategy and Corporate
14 Development), Sungmahn Seo (its Managing Director of Commercial Banking), Mary MacLeod
15 (its Global Head of Strategy and Chief Commercial Officer, Global Banking and Markets),
16 Michael Roberts (its Group Managing Director and a member of its Executive Committee),
17 Sabow, and each of the Individual Defendants.

18 21. Defendant HUSI is a corporation organized under the laws of the state of Maryland,
19 with its headquarters located at 452 Fifth Avenue, New York, New York 10018. HUSI and its
20 employees offer a full range of traditional banking products and services through its subsidiary
21 HSBC Bank USA. HUSI undertook the unlawful conduct described below by and through the
22 actions of its employees and agents, including Michael Roberts (its Chairman of the Board of
23 Directors, President and Chief Executive Officer), Wyatt Crowell (its Senior Executive Vice
24 President, Head of Commercial Banking), Mabel Rius (its Senior Executive Vice President and
25 Head of Human Resources), Jennifer Capasso (its Head of Embedded Banking & Platforms),
26 Sabow, and each of the Individual Defendants.

27 22. Defendant HSBC Bank USA is a corporation organized under the laws of the state
28 of Delaware, with its headquarters located at 452 Fifth Avenue, New York, New York 10018.

1 HSBC Bank USA has offices, branches, and ATMs in, and regularly conducts business in,
2 California. HSBC Bank USA is HUSI's principal subsidiary. HSBC Bank USA undertook the
3 unlawful conduct described below by and through the actions of its employees and agents,
4 including Michael Roberts (its Chairman), Wyatt Crowell (its Senior Executive Vice President,
5 Head of Commercial Banking), Dianna Hollin (its Head of Executive Recruitment), Sabow, and
6 each of the Individual Defendants.

7 23. Defendant HSBC UK is a corporation organized under the laws of England and
8 Wales, with its headquarters located at 1 Centenary Square, Birmingham, B1 1HQ, United
9 Kingdom. HSBC UK is the corporate parent of SVB UK, which it acquired on March 13, 2023.
10 HSBC UK undertook the unlawful conduct described below by and through the actions of its
11 employees and agents, including Ian Stuart (its Chief Executive Officer), Stuart Tait (its Head of
12 Commercial Banking), Sabow, and each of the Individual Defendants.

13 24. Defendant SVB UK is a corporation organized under the laws of England and
14 Wales, with its headquarters located at Alphabeta, 14-18 Finsbury Square, London, EC2A 1BR,
15 United Kingdom. SVB UK undertook the unlawful conduct described below by and through the
16 actions of its employees and agents, including Erin Platts (its Chief Executive Officer), Paola
17 Parsons (its Chief Human Resources Officer), Shweta Solanki (its Chief of Staff), Sabow, and
18 each of the Individual Defendants.

19 25. Defendant David Sabow is an individual who resides in Mill Valley, California.

20 26. Defendant Sunita Patel is an individual who resides in Pleasanton, California.

21 27. Defendant Melissa Stepanis is an individual who resides in Westport, Connecticut.

22 28. Defendant Peter Kidder is an individual who resides in Palo Alto, California.

23 29. Defendant Kevin Longo is an individual who resides in Southborough,
24 Massachusetts.

25 30. Defendant Rebekah Hanlon is an individual who resides in Alamo, California.

26 31. Defendant Katherine Andersen is an individual who resides in Winchester,
27 Massachusetts.

28

1 **IV. JURISDICTION AND VENUE**

2 32. Subject matter jurisdiction exists in this civil action pursuant to 28 U.S.C. § 1331
3 because First Citizens asserts federal claims under the Defend Trade Secrets Act (“DTSA”), 18
4 U.S.C. § 1832 et seq. Among other things, the DTSA “applies to conduct occurring outside the
5 United States if . . . an act in furtherance of the offense was made in the United States.” 18 U.S.C.
6 § 1837. The Court also has supplemental or pendent jurisdiction over First Citizens’ remaining
7 claims pursuant to 29 U.S.C. § 1367 because they form part of the same case or controversy as
8 the federal claims.

9 33. The Court has personal jurisdiction over Sabow because he is a citizen and
10 resident of the state of California. Moreover, at all relevant times, Sabow knew that First
11 Citizens’ business (like SVB’s before it) was substantially carried out in California and that
12 approximately twenty (if not more) of the First Citizens employees he raided live in California
13 and worked for SVB, Silicon Valley Bridge Bank, and later First Citizens in California. As
14 explained in greater detail below, Sabow repeatedly met with others or initiated contact with
15 others in California to carry out the raid. Many of Sabow’s wrongful acts complained of herein,
16 including acts in furtherance of the Defendants’ misappropriation of trade secrets, were carried
17 out by Sabow in California or by others in California at Sabow’s direction, including obtaining
18 and misappropriating confidential, proprietary and trade secret information and inducing breaches
19 of other legal obligations. Those intentional acts were aimed at parties and property primarily
20 located within the state of California. The harmful and intended effects of Sabow’s actions have
21 been felt, and will continue to be felt, by First Citizens in California. Sabow regularly and
22 frequently conducted business for SVB within the state of California including but not limited to
23 the time period 2019 through 2022 when he worked in California for SVB. Sabow continues to
24 regularly conduct business in California on behalf of HUSI and HSBC Bank USA, and in concert
25 with SVB UK, HSBC UK, and HSBC Holdings.

26 34. The Court has personal jurisdiction over Patel because she is a citizen and resident
27 of the state of California. Moreover, at all relevant times, Patel knew that First Citizens’ business
28 (like SVB’s before it) was substantially carried out in California and that approximately twenty

1 (if not more) of the First Citizens employees she raided live in California and worked for SVB,
2 Silicon Valley Bridge Bank, and later First Citizens in California. Patel repeatedly met with
3 others or initiated contact with others in California to carry out the raid. Many of Patel's wrongful
4 acts complained of herein, including acts in furtherance of the Defendants' misappropriation of
5 trade secrets, were carried out by Patel in California or by others in California at Patel's direction,
6 including obtaining and misappropriating confidential, proprietary and trade secret information.
7 Those intentional acts were aimed at parties and property primarily located within the state of
8 California. The harmful and intended effects of Patel's actions have been felt, and will continue to
9 be felt, by First Citizens in California. Patel regularly and frequently conducted business for SVB
10 within the state of California including but not limited to the time period 2020 through 2023 when
11 she worked in California for SVB. Patel continues to regularly conduct business in California on
12 behalf of HUSI and HSBC Bank USA, and in concert with SVB UK, HSBC UK, and HSBC
13 Holdings.

14 35. The Court has personal jurisdiction over Stepanis because, at all relevant times,
15 Stepanis knew that First Citizens' business (like SVB's before it) was substantially carried out in
16 California and that approximately twenty (if not more) of the First Citizens employees she
17 intended to raid live in California and worked for SVB, Silicon Valley Bridge Bank, and later
18 First Citizens in California. Stepanis targeted and solicited employees who lived and worked in
19 California urging them to join HSBC. Many of Stepanis' wrongful acts complained of herein,
20 including acts in furtherance of the Defendants' misappropriation of trade secrets, were carried
21 out by Stepanis in California or by others in California at Stepanis' direction, including obtaining
22 and misappropriating confidential, proprietary and trade secret information. Those intentional acts
23 were aimed at parties and property primarily located within the state of California. The harmful
24 and intended effects of Stepanis' actions have been felt, and will continue to be felt, by First
25 Citizens in California. Stepanis regularly and frequently visited California throughout her work as
26 an executive for SVB and conducted business for SVB within the state of California. Numerous
27 of the First Citizens employees that Stepanis recruited (as described below) lived and worked for
28

1 SVB and First Citizens in California at the time Stepanis worked to divert them from First
2 Citizens.

3 36. The Court has personal jurisdiction over Kidder because he is a citizen and
4 resident of the state of California. Moreover, at all relevant times, Kidder knew that First
5 Citizens' business (like SVB's before it) was substantially carried out in California and that
6 approximately twenty (if not more) of the First Citizens employees he raided live in California
7 and worked for SVB, Silicon Valley Bridge Bank, and later First Citizens in California. Kidder
8 repeatedly met with others or initiated contact with others in California to carry out the raid.
9 Many of Kidder's wrongful acts complained of herein, including acts in furtherance of the
10 Defendants' misappropriation of trade secrets, were carried out by Kidder in California or by
11 others in California at Kidder's direction, including obtaining and misappropriating confidential,
12 proprietary and trade secret information. Those intentional acts were aimed at parties and
13 property primarily located within the state of California. The harmful and intended effects of
14 Kidder's actions have been felt, and will continue to be felt, by First Citizens in California.
15 Kidder regularly and frequently conducted business for SVB within the state of California
16 including but not limited to the time period 1995 through 2023 when he worked in California for
17 SVB. He continues to regularly conduct business in California on behalf of HUSI and HSBC
18 Bank USA, and in concert with SVB UK, HSBC UK, and HSBC Holdings.

19 37. The Court has personal jurisdiction over Longo because, at all relevant times,
20 Longo knew that First Citizens' business (like SVB's before it) was substantially carried out in
21 California and that approximately twenty (if not more) of the First Citizens employees he
22 intended to raid live in California and worked for SVB, Silicon Valley Bridge Bank, and later
23 First Citizens in California. Longo targeted and solicited employees who lived and worked in
24 California urging them to join HSBC. Many of Longo's wrongful acts complained of herein,
25 including acts in furtherance of the Defendants' misappropriation of trade secrets, were carried
26 out by Longo in California or by others in California at Longo's direction, including obtaining
27 and misappropriating confidential information, proprietary and trade secret information. Those
28 intentional acts were aimed at parties and property primarily located within the state of California.

1 The harmful and intended effects of Longo's actions have been felt, and will continue to be felt,
2 by First Citizens in California. Longo regularly and frequently visited California throughout his
3 work as an executive for SVB and conducted business for SVB within the state of California.
4 Numerous of the First Citizens employees that Longo recruited (as described below) lived and
5 worked for SVB and First Citizens in California at the time Longo worked to divert them from
6 First Citizens.

7 38. The Court has personal jurisdiction over Hanlon because she is a citizen and
8 resident of the state of California. Moreover, at all relevant times, Hanlon knew that First
9 Citizens' business (like SVB's before it) was substantially carried out in California and that
10 approximately twenty (if not more) of the First Citizens employees she raided live in California
11 and worked for SVB, Silicon Valley Bridge Bank, and later First Citizens in California. Hanlon
12 repeatedly met with others or initiated contact with others in California to carry out the raid.
13 Many of Hanlon's wrongful acts complained of herein, including acts in furtherance of the
14 Defendants' misappropriation of trade secrets, were carried out by Hanlon in California or by
15 others in California at Hanlon's direction, including obtaining and misappropriating confidential,
16 proprietary and trade secret information. Those intentional acts were aimed at parties and
17 property primarily located within the state of California. The harmful and intended effects of
18 Hanlon's actions have been felt, and will continue to be felt, by First Citizens in California.
19 Hanlon regularly and frequently conducted business for SVB within the state of California
20 including but not limited to the time period 2019 through 2023 when she worked in California for
21 SVB. Hanlon continues to regularly conduct business in California on behalf of HUSI and HSBC
22 Bank USA, and in concert with SVB UK, HSBC UK, and HSBC Holdings.

23 39. The Court has personal jurisdiction over Andersen because, at all relevant times,
24 Andersen knew that First Citizens' business (like SVB's before it) was substantially carried out in
25 California and that approximately twenty (if not more) of the First Citizens employees she
26 intended to raid live in California and worked for SVB, Silicon Valley Bridge Bank, and later
27 First Citizens in California. Andersen targeted and solicited employees who lived and worked in
28 California urging them to join HSBC. Many of Andersen's wrongful acts complained of herein,

1 including acts in furtherance of the Defendants' misappropriation of trade secrets, were carried
2 out by Andersen in California or by others in California at Andersen's direction, including
3 obtaining and misappropriating confidential, proprietary and trade secret information. Those
4 intentional acts were aimed at parties and property primarily located within the state of California.
5 The harmful and intended effects of Andersen's actions have been felt, and will continue to be
6 felt, by First Citizens in California. Andersen regularly and frequently visited California
7 throughout her work as an executive for SVB and conducted business for SVB within the state of
8 California. Numerous of the First Citizens employees that Andersen recruited (as described
9 below) lived and worked for SVB and First Citizens in California at the time Andersen worked to
10 divert them from First Citizens.

11 40. The Court has personal jurisdiction over HSBC Holdings because it, at all relevant
12 times, knew that First Citizens' business (like SVB's before it) was substantially carried out in
13 California and that approximately twenty (if not more) of the First Citizens employees it raided
14 live in California and worked for SVB, Silicon Valley Bridge Bank, and later First Citizens in
15 California. As explained in greater detail below, by and through its agents, HSBC Holdings met
16 with others or initiated contact with others in California to carry out the raid. Many of HSBC
17 Holdings' wrongful acts complained of herein, including acts in furtherance of the Defendants'
18 misappropriation of trade secrets, were carried out by it in California. Those intentional acts were
19 aimed at parties and property primarily located within the state of California. The harmful and
20 intended effects of HSBC Holdings' actions have been felt, and will continue to be felt, by First
21 Citizens in California. HSBC Holdings regularly conducts business in California in concert with
22 HUSI and HSBC Bank USA.

23 41. The Court has personal jurisdiction over HUSI because it, at all relevant times,
24 knew that First Citizens' business (like SVB's before it) was substantially carried out in
25 California and that approximately twenty (if not more) of the First Citizens employees it raided
26 live in California and worked for SVB, Silicon Valley Bridge Bank, and later First Citizens in
27 California. As explained in greater detail below, by and through its agents, HUSI met with others
28 or initiated contact with others in California to carry out the raid. Many of HUSI's wrongful acts

1 complained of herein, including acts in furtherance of the Defendants' misappropriation of trade
2 secrets, were carried out by it in California. Those intentional acts were aimed at parties and
3 property primarily located within the state of California. The harmful and intended effects of
4 HUSI's actions have been felt, and will continue to be felt, by First Citizens in California. HUSI
5 regularly conducts business in California.

6 42. The Court has personal jurisdiction over HSBC Bank USA because it, at all
7 relevant times, knew that First Citizens' business (like SVB's before it) was substantially carried
8 out in California and that approximately twenty (if not more) of the First Citizens employees it
9 raided live in California and worked SVB, Silicon Valley Bridge Bank, and later First Citizens in
10 California. As explained in greater detail below, by and through its agents, HSBC Bank USA met
11 with others or initiated contact with others in California to carry out the raid. Many of HSBC
12 Bank USA's wrongful acts complained of herein, including acts in furtherance of the Defendants'
13 misappropriation of trade secrets, were carried out by it in California. Those intentional acts were
14 aimed at parties and property primarily located within the state of California. The harmful and
15 intended effects of HSBC Bank USA's actions have been felt, and will continue to be felt, by
16 First Citizens in California. HSBC Bank USA regularly conducts business in California.

17 43. The Court has personal jurisdiction over HSBC UK because it, at all relevant
18 times, knew that First Citizens' business (like SVB's before it) was substantially carried out in
19 California and that approximately twenty (if not more) of the First Citizens employees it raided
20 live in California and worked for SVB, Silicon Valley Bridge Bank, and later First Citizens in
21 California. As explained in greater detail below, by and through its agents, HSBC UK met with
22 others or initiated contact with others in California to carry out the raid. Many of HSBC UK's
23 wrongful acts complained of herein, including acts in furtherance of the Defendants'
24 misappropriation of trade secrets, were carried out by it in California. Those intentional acts were
25 aimed at parties and property primarily located within the state of California. The harmful and
26 intended effects of HSBC UK's actions have been felt, and will continue to be felt, by First
27 Citizens in California. HSBC UK regularly conducts business in California in concert with HUSI
28 and HSBC Bank USA.

1 44. The Court has personal jurisdiction over SVB UK because it, at all relevant times,
2 knew that First Citizens' business (like SVB's before it) was substantially carried out in
3 California and that approximately twenty (if not more) of the First Citizens employees it raided
4 live in California and worked for SVB, Silicon Valley Bridge Bank, and later First Citizens in
5 California. As explained in greater detail below, by and through its agents, SVB UK met with
6 others or initiated contact with others in California to carry out the raid. Many of SVB UK's
7 wrongful acts complained of herein, including acts in furtherance of the Defendants'
8 misappropriation of trade secrets, were carried out by it in California. Those intentional acts were
9 aimed at parties and property primarily located within the state of California. The harmful and
10 intended effects of SVB UK's actions have been felt, and will continue to be felt, by First
11 Citizens in California. SVB UK regularly conducts business in California in concert with HUSI
12 and HSBC Bank USA.

13 45. Venue is proper in this district pursuant to 28 U.S.C. § 1391(b)(2) because a
14 substantial part of the events or omissions giving rise to the claims occurred in this district and
15 because a substantial part of the property that is the subject of this action is situated in this
16 district.

17 **V. DIVISIONAL ASSIGNMENT**

18 46. Because this action is an Intellectual Property Action within the meaning of Civil
19 Local Rule 3-2(c), the action is to be assigned on a district-wide basis.

20 **VI. FACTUAL ALLEGATIONS**

21 **A. The Critical Role Played by Banks, And the Far-Reaching Consequences When** 22 **Banks Fail**

23 47. Banks play a critical role in the economy by serving as financial intermediaries
24 that facilitate the flow of funds between individuals, businesses, and governments. They provide a
25 wide range of financial services that are essential for economic growth and stability.

26 48. Banks offer a safe place for individuals and businesses to deposit their money. By
27 pooling deposits together, banks have the ability to lend money to individuals and businesses to
28 support their financial needs.

1 49. Banks are major providers of credit and loans. They offer a range of lending
2 products, including personal loans, mortgages, business loans, and lines of credit.

3 50. Banks play a central role in facilitating payments and transactions. They provide
4 payment services that allow individuals and businesses to make transactions efficiently and
5 securely. These services include issuing debit and credit cards, providing electronic fund
6 transfers, and processing checks.

7 51. Banks support economic growth by channeling money from savers to borrowers,
8 which helps stimulate economic growth. Banks provide financing to businesses, enabling them to
9 invest in new projects, purchase equipment, hire employees, and innovate. By facilitating these
10 activities through lending and investment, banks contribute to job creation, technological
11 advancement and economic development.

12 52. Banks work closely with governments by providing them with financial services.
13 For example, banks process tax payments and manage government accounts. They also help
14 governments raise funds through the issuance of bonds, and they provide advisory services on
15 fiscal matters.

16 53. In light of the wide range of services offered by banks, it is no surprise that when a
17 bank fails, it can cause a ripple effect throughout the economy as individuals and businesses lose
18 access to credit and financial stability. In addition, if depositors lose confidence in the banking
19 system, they may withdraw their funds from other banks causing further instability.

20 54. Creating and building a bank is a complex and time-consuming process, largely
21 due to the need to develop an operational infrastructure. The first steps, among other things,
22 include identifying a target market, validating the viability and potential profitability of a business
23 plan to enter that market, compiling customer, developing comprehensive financial projections
24 that forecast revenues, costs and expenses associated with a business plan, including financial
25 modeling of estimated sales volumes, production costs, operating expenses and anticipated
26 cashflow, formulating the operational efficiency needed to streamline processes, minimize waste,
27 and reduce costs and identifying and assessing potential risks that could impact the profitability of
28 the business plan, such as evaluating market risks, competitive risks and regulatory hurdles.

1 55. Building a highly specialized bank which incorporates a large new geographic
2 market, such as the United States, focused on high-growth start-ups and innovators in cutting-
3 edge sectors, namely tech and life sciences, is even more complex, risky and time-consuming. It
4 requires in-depth research and commitment of resources to understand and develop solutions for
5 innovation-sector customer needs and demands, as well as understanding and developing
6 protocols and policies to navigate regulatory requirements applicable to specialized and cutting-
7 edge sectors. This form of specialized banking also requires the development of a skilled and
8 experienced workforce and the cultivation of expertise in the creation of tailored banking
9 products and innovative solutions, in the form of bespoke financial services, custom loans,
10 mortgages, and investment services. Additionally, building a strong customer base and brand
11 reputation in this new market are critical components that require strategic planning and ongoing
12 investment. HSBC did not have an established specialized banking platform like this in the
13 United States.

14 **B. When Banks Fail, the Government Steps in**

15 56. In the United States, the Resolution and Receivership Rules (12 C.F.R. Part 360)
16 were established by the Dodd-Frank Wall Street Reform and Consumer Protection Act in
17 response to the financial crisis of 2008.

18 57. The Resolution and Receivership Rules (the “Rules”) are regulations implemented
19 by financial regulators to manage and resolve the insolvency of financial institutions, particularly
20 banks.

21 58. The Rules aim to protect depositors and prevent the spread of financial instability
22 to the wider economy. They provide a framework for the effective management of financial
23 institution insolvencies and contribute to the stability of the financial system.

24 59. The Rules outline the procedures that regulators use to resolve failing banks,
25 including by appointing the FDIC as a receiver to take control of a failed bank. In its role as a
26 receiver, the FDIC is responsible for taking over and managing a failed bank, liquidating its
27 assets, or transferring them to a healthy bank. This helps to ensure that a failed bank’s assets and
28

1 liabilities are transferred to responsible parties who can continue to serve the needs of the bank's
2 customers and maintain the integrity of the financial system.

3 60. Interfering with the FDIC's efforts to resolve a failed bank is a serious matter that
4 can have a wide array of detrimental consequences. These consequence include: (i) disrupting the
5 orderly wind-down of a failed bank, potentially leading to panic and loss of confidence in the
6 banking system, which in turn can have ripple effects throughout the economy impacting other
7 financial institutions and damaging overall stability; (ii) contributing to a loss of depositors'
8 confidence, which can trigger bank runs where depositors withdraw funds and potentially cause a
9 liquidity crisis and additional bank failures; (iii) undermining the efficacy of the FDIC's role in
10 stabilizing the financial system; (iv) deterring healthy banks from acquiring the assets and
11 liabilities of failed banks; (v) augmenting costs associated with resolving failed banks thereby
12 increasing expense to taxpayers; and (vi) delaying economic recovery and contributing to the
13 burden imposed on individuals, businesses and the economy.

14 **C. First Citizens' Long and Distinguished History**

15 61. First Citizens is a U.S.-based financial institution that has established itself as a
16 respected entity in the banking industry. Having celebrated its 125th year in business in 2023, it is
17 one of the healthy and stable banks that the FDIC relies upon to help rescue failed banks. The
18 bank is headquartered in Raleigh, North Carolina, and operates in various states, including
19 Arizona, California, Colorado, Florida, Georgia, Kansas, Maryland, Missouri, Nebraska, New
20 Mexico, North Carolina, Oklahoma, Oregon, South Carolina, Tennessee, Texas, Virginia,
21 Washington, West Virginia, and Wisconsin.

22 62. For more than a century, First Citizens has demonstrated stability in the banking
23 industry. Its long history indicates a track record of successfully navigating through various
24 economic cycles and challenges, including the Great Depression, multiple recessions, and other
25 financial crises.

26 63. First Citizens has maintained sound financial performance over the years. It has
27 shown consistent profitability, demonstrating its ability to manage risk and generate sustainable
28 growth.

1 64. First Citizens is actively involved in the communities it serves. It supports various
2 community initiatives, charitable organizations, and local events. The bank's commitment to
3 community engagement contributes to its positive reputation and demonstrates its dedication to
4 the well-being of the areas in which it operates.

5 65. First Citizens offers a variety of personal and commercial banking products and
6 services, including checking and savings accounts, loans, credit cards, online and mobile banking,
7 investment and wealth management services, and more.

8 66. As all respectable institutions do, First Citizens prioritizes ethical practices and
9 compliance with regulations. It strives to adhere to industry standards, regulatory requirements,
10 and best practices, ensuring transparency, integrity, and the protection of customer information.

11 67. Since 2009, First Citizens has partnered with the FDIC to successfully complete
12 more than 20 FDIC-assisted transactions—more than any bank in the country.

13 68. As noted above, when a bank fails, the government looks for a reputable and stable
14 institution to help fix the problem. When SVB failed, the FDIC chose First Citizens.

15 **D. History of Silicon Valley Bank**

16 69. Until recently, SVB Financial Group (“Holdco”) was a bank holding company.
17 Through its various subsidiaries and divisions—such as SVB and SVB UK—Holdco offered a
18 diverse set of banking and financial products and services to clients across the United States, as
19 well as in key international innovation markets.

20 70. For nearly forty years, Holdco’s subsidiaries had been dedicated to helping support
21 entrepreneurs and clients of all sizes and stages throughout their life cycles, primarily in the
22 technology, life science/healthcare, private equity/venture capital, and premium wine industries.

23 71. Holdco offered commercial and private banking products and services through its
24 principal subsidiary, SVB, which, until recently, was a California state-chartered bank founded in
25 1983 and a member of the Federal Reserve System.

26 72. SVB had a unique focus among American banks. It focused on providing its
27 products and services to clients primarily in the technology and life science/healthcare industries
28 as well as global private equity and venture capital clients.

1 73. SVB provided solutions to the financial needs of its commercial company clients
2 throughout their life cycles, beginning with the “emerging” or “early stage” and progressing
3 through later stages as their businesses matured and expanded.

4 74. SVB’s technology clients tended to be in the industries of frontier tech and
5 hardware (such as semiconductors, communications, data, storage and electronics), enterprise and
6 consumer software/internet (such as infrastructure software applications, software services, digital
7 content and advertising technology), fintech, and climate technology and sustainability.

8 75. SVB’s life science/healthcare clients tended to be in the industries of biopharma,
9 healthtech, medical devices, healthcare services, and diagnostics and tools.

10 76. SVB offered its technology and life science/healthcare commercial clients a full
11 range of credit solutions. These solutions included traditional term loans, growth capital term
12 loans, equipment loans, asset-based loans, revolving lines of credit, warehouse facilities,
13 recurring revenue facilities, mezzanine lending, acquisition finance facilities, corporate working
14 capital facilities standby and commercial letters of credit, project finance loans, and credit card
15 programs.

16 77. SVB’s private equity and venture capital clients were often investors in the
17 commercial companies to whom SVB provided banking services. SVB cultivated strong
18 relationships within the private equity and venture capital communities, which in turn helped to
19 facilitate deal flow opportunities between these private equity/venture capital firms and the
20 commercial companies.

21 78. Key to SVB’s success was its ability to attract, retain and motivate qualified
22 employees. SVB relied heavily upon employees who have technical or other specialized expertise
23 and/or a strong network of relationships with individuals and institutions within the markets it
24 served.

25 79. SVB invested significant time, money and resources in recruiting, training and
26 developing its skilled and specialized workforce.

27
28

1 **E. The Collapse of SVB**

2 80. Over a period of two days in March 2023, SVB went from being solvent to being
3 in FDIC receivership.

4 81. On or about March 8, 2023, SVB Financial Group announced it would book a \$1.8
5 billion loss after selling some of its investments.

6 82. When trading opened on March 9, 2023, SVB Financial Group’s stock price
7 plummeted, panic spread across social media, and venture capital firms began pulling their money
8 out of SVB. By the end of the day, depositors had withdrawn approximately \$42 billion.

9 83. On March 10, 2023, SVB was closed by the California Department of Financial
10 Protection and Innovation, which appointed the FDIC as receiver. SVB’s collapse marked what
11 was then the second largest bank failure in U.S. history.

12 84. Fears of contagion and systemic failure began to spread. These fears were rooted
13 in a recognition that banks are interlinked; if there is a run on one bank, that may lead to a lack of
14 confidence in the market and a run on other banks.

15 85. International media added to the concerns. For example, CNN reported that
16 “SVB’s downfall continue[d] to reverberate across global financial markets.” See
17 <https://www.cnn.com/2023/03/13/investing/silicon-valley-bank-collapse-explained/index.html>. It
18 also reported that in the wake of SVB’s collapse, there were “already some signs of stress at other
19 banks.” Id.

20 86. Also on March 10, 2023, the FDIC created the Deposit Insurance National Bank of
21 Santa Clara (“DINB”) to protect SVB’s insured depositors. In an effort to calm fears, the FDIC
22 announced that all depositors would continue to have full access to their insured deposits no later
23 than Monday, March 13, 2023. See <https://www.fdic.gov/news/press-releases/2023/pr23016.html>.
24 It also announced that uninsured depositors would receive a receivership certificate for the
25 remaining amount of their uninsured funds. Id. The FDIC made an additional assurance that as it
26 sold the assets of SVB, future dividend payments would be made to uninsured depositors. Id.

27 87. On Sunday, March 12, 2023, the Department of the Treasury, the Federal Reserve,
28 and the FDIC issued a joint statement:

1 Today we are taking decisive actions to protect the U.S. economy by
 2 strengthening public confidence in our banking system. This step will
 3 ensure that the U.S. banking system continues to perform its vital roles of
 4 protecting deposits and providing access to credit to households and
 5 businesses in a manner that promotes strong and sustainable economic
 6 growth.

7 After receiving a recommendation from the boards of the FDIC and the
 8 Federal Reserve, and consulting with the President [of the United States of
 9 America], [Treasury] Secretary Yellen approved actions enabling the FDIC
 10 to complete its resolution of Silicon Valley Bank, Santa Clara, California,
 11 in a manner that fully protects all depositors. Depositors will have access to
 12 all of their money starting Monday, March 13. No losses associated with
 13 the resolution of Silicon Valley Bank will be borne by the taxpayer.

14 * * *

15 [T]oday's actions demonstrate our commitment to take the necessary steps
 16 to ensure that depositors' savings remain safe.

17 See <https://www.fdic.gov/news/press-releases/2023/pr23017.html>

18 88. That same day, the Federal Reserve Board announced that it would make available
 19 additional funding to eligible depository institutions to help ensure that banks would have the
 20 ability to meet the needs of all their depositors. *Id.*

21 89. Meanwhile, fears of contagion continued to spread, and Signature Bank was closed
 22 on March 12, 2023 by its state chartering authority. *Id.* At the time, this was the third largest bank
 23 failure in U.S. history.

24 90. The immediate actions of the Department of the Treasury, the Federal Reserve,
 25 and the FDIC illustrated the magnitude of the emergency.

26 91. On Monday, March 13, 2023, in a televised address, President Biden sought to
 27 restore confidence in the banking system. Despite his assurances, shares of numerous regional
 28 banks continued to slide.

92. Also on or about Monday, March 13, 2023, the FDIC transferred all deposits—
 both insured and uninsured—and substantially all assets of DINB (*i.e.*, the former Silicon Valley
 Bank of Santa Clara, California) to a newly created, full-service FDIC-operated “bridge bank”
 with the stated intent of protecting all depositors of SVB. See <https://www.fdic.gov/news/press-releases/2023/pr23019.html>. A bridge bank is a chartered national bank that operates under a

1 board appointed by the FDIC. Id. It assumes the deposits and certain other liabilities and
2 purchases certain assets of a failed bank. Id. The bridge bank structure is designed to “bridge” the
3 gap between the failure of a bank and the time when the FDIC can stabilize the institution and
4 implement an orderly resolution. Id.

5 93. The FDIC also announced that all depositors of the new bank, Silicon Valley
6 Bridge Bank, N.A. (the “Bridge Bank”) would continue to have full access to their money. Id. All
7 depositors and borrowers of SVB immediately became customers of the Bridge Bank. Id.
8 Additionally, all employees of SVB became employees of the Bridge Bank.

9 94. On March 13, 2023, the Bridge Bank enacted an Enabling Resolution, adopting,
10 among other things: (1) SVB’s Standards of Conduct, however identified; (2) SVB’s policies and
11 procedures; and (3) SVB’s compliance regime. Defendants Patel, Stepanis, Kidder, Longo,
12 Hanlon, and Andersen became employees of the Bridge Bank and remained bound by SVB’s
13 Standards of Conduct and policies and procedures, which were adopted by the Bridge Bank.

14 **F. The FDIC Puts the Bridge Bank Up For Auction**

15 95. The FDIC is statutorily required to resolve failed institutions in a way that
16 minimizes losses to the Deposit Insurance Fund. See
17 <https://www.fdic.gov/buying/franchisemarketing/index.html>. When doing so, the FDIC’s
18 “primary objective is to maintain financial system stability and public confidence.” Id. The FDIC
19 also “tries to reduce the impact on the community.” Id.

20 96. With respect to SVB, the FDIC elected to hold an auction. Pursuant to its
21 established practices, the FDIC invited “qualified bidders” to submit bids to acquire the assets and
22 assume the liabilities of the Bridge Bank. Although qualified bidders may participate in the
23 resolution process for a variety of strategic reasons, a successful resolution can provide a
24 seamless transition for depositors and borrowers and calm financial markets and systems.
25 Consequently, the public, businesses, the government, and the entire U.S. and global financial
26 system are all stakeholders in the successful resolution of a failed bank.

27 97. The collective shared interest in successful resolution of SVB was illustrated by a
28 “Statement of Support” signed by approximately 100 venture capitalists shortly after SVB’s

1 collapse. Since that time, the Statement of Support has been adopted by an additional 600 or so
2 venture capitalists. The Statement of Support provides as follows:

3 Silicon Valley Bank has been a trusted and long-time partner to the venture
4 capital industry and our founders. For forty years, it has been an important
5 platform that played a pivotal role in serving the startup community and
6 supporting the innovation economy in the US.

7 The events that unfolded over the past 48 hours have been deeply
8 disappointing and concerning. In the event that SVB were to be purchased
9 and appropriately capitalized, we would be strongly supportive and
10 encourage our portfolio companies to resume their banking relationship
11 with them.

12 98. The Statement of Support reflects the venture banking market's collective
13 experience and desire—when a bank failure threatens the stability of our financial markets and
14 systems, someone must come to the rescue. In this case, First Citizens was that someone.

15 99. The auction period lasted about two weeks. As of March 20, 2023, the media was
16 reporting that First Citizens had submitted a bid to purchase the Bridge Bank (*see, e.g.*,
17 [https://www.bloomberg.com/news/articles/2023-03-20/first-citizens-said-to-continue-pursuit-of-](https://www.bloomberg.com/news/articles/2023-03-20/first-citizens-said-to-continue-pursuit-of-silicon-valley-bank)
18 [silicon-valley-bank](https://www.bloomberg.com/news/articles/2023-03-20/first-citizens-said-to-continue-pursuit-of-silicon-valley-bank)). According to the FDIC, nineteen other companies submitted bids for at least
19 some portion of the Bridge Bank. HSBC was not one of them.

20 100. On Sunday, March 26, 2023, the FDIC announced that it had entered into a
21 purchase and assumption agreement for all deposits and loans of the Bridge Bank by First
22 Citizens.

23 **G. The HSBC Entities Seek to Take That Which They Would Not Buy
24 Through Unlawful Conduct**

25 101. On or about March 13, 2023, HSBC UK acquired SVB UK for £1 (approximately
26 \$1.21). The acquisition was announced on HSBC's website: "We've acquired the UK arm of US
27 lender Silicon Valley Bank (SVB)." See [https://www.hsbc.com/news-and-media/hsbc-news/hsbc-](https://www.hsbc.com/news-and-media/hsbc-news/hsbc-buys-silicon-valley-bank-uk)
28 [buys-silicon-valley-bank-uk](https://www.hsbc.com/news-and-media/hsbc-news/hsbc-buys-silicon-valley-bank-uk). Portraying HSBC Holdings (and the other HSBC Entities) as a
savior, Noel Quinn, HSBC Holdings' Chief Executive Officer stated, "SVB UK customers can
continue to bank as usual, safe in the knowledge that their deposits are backed by the strength,
safety and security of HSBC." *Id.*

1 102. While the FDIC was scrambling to stabilize matters in the United States,
2 Defendant Sabow and all of the HSBC Entities were plotting to exploit the situation for their own
3 economic gain.

4 103. On March 13, 2023, Sabow was an employee of SVB UK. It had barely been two
5 months since he left SVB to join SVB UK. Indeed, until March 1, 2023, Sabow still had an
6 executive function within SVB with respect to awarding 2022 year-end performance awards and
7 compensation to those SVB employees within the Technology and Healthcare Banking group that
8 he had led until the end of 2022. With his knowledge of SVB fresh in his head, Sabow began
9 drafting what he called Project Colony.

10 104. Project Colony was Sabow's written, narrative business plan, supported by
11 financial modeling, to take and operate some of the most lucrative portions of SVB's business,
12 creating a competitor entity that would take SVB's business and quickly displace it in the market.

13 105. Sabow began working on Project Colony as early as March 14, 2023. In Sabow's
14 words, the "collapse of Silicon Valley Bank" presented a "narrow window of opportunity for a
15 scaled, stable, and well-capitalized platform [such as HSBC] to become the landing ground for
16 key talent across the market – recreating a better version of the prior dominant platform." He
17 further explained, "**I have identified 6 core leaders to serve as our "Founders" for this US**
18 **venture banking business.**" (Boldface emphasis in original). The six "core leaders" identified by
19 Sabow were Defendants Patel, Stepanis, Kidder, Longo, Hanlon, and Andersen.

20 106. Sabow chose these particular six "core leaders" because they were "key functional
21 leaders" with "superb client and employee followership." He further noted that they were well
22 positioned to carry out two "waves" of hiring: "Wave 1," which would begin with "an additional
23 35 professionals already identified," and "Wave 2," which would target "an additional 40
24 professionals at junior levels." Sabow noted that the SVB professionals he was targeting cut
25 "across Venture Capital Relationship Management, Relationship Management, and Credit
26 Solutions," i.e., the business groups that were essential to successfully lifting out "the core of
27 [SVB's] profitability engine."
28

1 107. Sabow noted that previous efforts to establish a foothold in the market by hiring
2 key individuals away from SVB had shown signs of success: “In 2019 JP Morgan lifted out a
3 small group of individuals with Venture relationships and venture debt Credit Solutions expertise
4 and in a very short period they became the #2 player in the market.”

5 108. Sabow crafted his written plan and financial models by using confidential and
6 proprietary information he obtained from SVB, the Bridge Bank, and First Citizens. For example,
7 he began by setting forth tables reflecting SVB’s “win rate” against its core competitors
8 segmented by deal size and numbers of loans. Recognizing the confidential nature of this data,
9 Sabow redacted it. Curiously, however, Sabow only redacted some, but not all of the confidential
10 information he included in Project Colony. As First Citizens expects to establish upon further
11 investigation and discovery, Sabow later shared the unredacted data with all of the HSBC Entities
12 when seeking their input, assistance and approval to execute Project Colony, including after First
13 Citizens purchased the assets of the Bridge Bank.

14 109. Sabow also outlined his intent to seize percentages of various market shares
15 identical to those held by SVB (the amounts of which are not publicly available), and he justified
16 the merits of his plan by citing and leveraging confidential information. This included his
17 recitation of SVB’s “annual gross profit per core borrower” and “per non-core borrower.” It also
18 included non-public statistical information identifying by percentage the amount of SVB clients
19 falling within certain borrowing classifications. He laid out a “preliminary financial model
20 leveraging [his] key assumptions” which were predicated on specific dollar amounts for loan
21 portfolios, implied revenue and growth, and employee compensation, which include non-public
22 data he obtained as a result of his role as an executive and fiduciary of SVB and from the
23 Individual Defendants. As explained in more detail below, Sabow filled in parts of his plan in
24 March and in April of 2023 by obtaining additional non-public data from Bridge Bank and First
25 Citizens employees, and by incorporating information provided by the six “core leaders” or
26 “Pillars.”

27 110. Sabow urged quick action: “*If the strategy described [in this Project Colony plan]*
28 *is of interest, we need to move quickly to secure the six identified core leaders in the U.S. that*

1 *will become the pillars for this US venture banking business.*” (Boldface and italics emphasis in
2 original).

3 **H. Background Facts: Defendants Laid the Foundation for the Execution of**
4 **Project Colony Before First Citizens Acquired the Assets of the Bridge Bank**
5 **on March 27, 2023**

6 111. Sabow’s creation of Project Colony, and the Defendants’ actions in concert with
7 him, began on March 14, 2023 and continued through the Easter holiday weekend on April 8 and
8 9, 2023. Some, but not all, of the Defendants’ actions throughout this time period are chronicled
9 below. Dates and times referenced herein are as of U.S. Pacific time, except when otherwise
10 noted.

11 Tuesday, March 14, 2023

12 112. On or about March 14, 2023, Sabow began drafting Project Colony.

13 113. On March 14, 2023, Sabow sought assistance and input from Patel asking for her
14 managerial knowledge of historical workload capacity for Venture Capital Relationship Managers
15 segmented by numbers of top tier clients. At this time, Patel was an employee of the Bridge Bank
16 living and working in California, and she promptly provided him with this information.

17 114. Also on March 14, 2023, Sabow asked another employee of the Bridge Bank for
18 Client Lifetime Value (“CLV”) data for various types of SVB’s clients. CLV data is confidential
19 data that provides the total value the bank expects to derive from its relationship with a client over
20 the duration of their association, and it is derived using a combination of historical company data
21 and modeling that is not publicly available. CLV data was used by SVB to segment clients into
22 groups based on profitability to enable allocation of resources in a cost-effective and strategic
23 manner.

24 115. Contemporaneous with his work on Project Colony on March 14, 2023, Sabow
25 accessed various spreadsheets and files including a twenty-five slide PowerPoint labeled “SVB
26 Confidential” containing non-public business planning information predicated on profit data,
27 CLV information, projected expenses, projected profits, and more.

28

1 Wednesday, March 15, 2023

2 116. On March 15, 2023, Sabow met with Noel Quinn, CEO of HSBC Holdings, and
3 Ian Stuart, CEO of HSBC UK, about Project Colony. Later that day, Sabow and Quinn met for a
4 second time. This meeting also included Bob Hoyt, Chief Legal Officer of HSBC Holdings and
5 Greg Guyett, CEO of Global Banking & Markets for HSBC Holdings. On information and belief,
6 Sabow made a pitch for HSBC to back Project Colony.

7 117. Sabow continued to draft and refine Project Colony. Sabow received an invitation
8 to have lunch with Stuart Tait later that week to discuss Project Colony. Stuart Tait is HSBC
9 UK's Head of Commercial Banking.

10 118. On March 15, 2023, Sabow sought assistance and information from a senior
11 manager of the Bridge Bank, asking for his managerial knowledge of historical workload capacity
12 for certain employees as well as client portfolio growth rate data. Sabow told the manager he
13 needed the information because he was "[h]elping with some analysis." Sabow falsely implied
14 this analysis was for the Bridge Bank's benefit and did not disclose that his "analysis" was hostile
15 to the Bridge Bank and its future acquirer.

16 Thursday, March 16, 2023

17 119. On March 16, 2023, Sabow continued to draft and refine Project Colony. Sabow
18 sent an instant message to an employee of the Bridge Bank in which he asked the employee to
19 provide information that he intended to use (and which he did in fact use) to further refine,
20 enhance and develop Project Colony. Specifically, Sabow asked the employee the following:

- 21 1) What is the average annual gross profit for the Tech AG Non-Core
22 Borrower
- 23 2) What is the average annual gross profit for the Tech AG Core Borrower
(including loan, deposits, everything)
- 24 3) Same as 1, and 2 above for the LS AG [i.e., Life Science & Accelerator
25 & Growth Group] portfolio under Kevin Longo
- 26 4) What is the total population of the venture backed U.S. market in the
27 segments we serve (not those that have gone public but those that have
28 raised any round of venture capital over the last couple of years)

1 5) Per 4 above, do we have a map showing where those are located around
2 the US by chance? (I think this may have been part of the Series A
work you did, but not sure if that is just Series A or all prospects).

3 120. Sabow asked the employee to turn this information around the same day.

4 121. Unsure as to whether Sabow was an employee of the Bridge Bank, the employee
5 asked, “Hi Dave – checking if you are still an employee of the US entity?” Sabow responded,
6 “Good point [employee name] – I have a UK co tract [sic] but am no longer the CEO here” and
7 he falsely told the employee he was “likely heading back to US with SVB.” To assuage the
8 employee’s concern, he told the employee to “send [the requested information] to Sunita [Patel]”
9 because Patel was an SVB employee in the U.S.

10 122. The employee followed Sabow’s direction and provided the requested information
11 by email to Patel in California with the subject line “RE: Dave Sabow requests on Gross Profit
12 across Segment and Borrower types.” The employee described Sabow’s requests and asked Patel
13 to “pls confirm that you would still like these?” Patel said, “Yes please send them as you get
14 them.” After receiving the information, Patel thanked the employee. It is evident that Patel then
15 provided the requested information to Sabow because Sabow incorporated the information into
16 Project Colony.

17 123. On March 16, 2023, Sabow began making plans to fly to San Francisco from
18 London. He told SVB UK’s Chief Human Resources Officer, Paola Parsons, that he was
19 returning to the United States on Saturday and was making progress on Project Colony.

20 124. That same day, consistent with Project Colony, Sabow began reaching out to
21 Bridge Bank employees in California to arrange meetings with them to discuss Project Colony.

22 a. Sabow messaged Patel to say, “Hi – I am back in the US next week. Should we get
23 together?”

24 b. He also messaged Stepanis to say, “Know you and the team are drowning. I am
25 headed back to the US this weekend - can’t wait to get back to my support
26 network! I was hoping I might be able to connect with you for a bit - time for us to
27 start focusing on the future.”
28

1 c. He likewise communicated with Andersen about getting together, and he let her
2 know he just booked a flight.

3 125. That same day (March 16, 2023), he also reached out to the following Bridge Bank
4 employees:

5 a. The Head of Relationship Management, Technology Banking (a California
6 employee [JM]) and said he wanted “to connect with [the employee]”;

7 b. The Head of Frontier Technology (a California employee [AK] whom he had
8 listed among his targets in Project Colony) and said, “I am back in the Bay Area
9 next week and wanted to see if you would be up for grabbing lunch or a coffee?
10 Let me know if you are up for this. Such a sad time right now - hope you are
11 hanging in there.” The employee responded to say she was on “an emotional roller
12 coaster,” and Sabow said, “Best way to heal is to drive all energy towards the
13 future - that’s what I want to speak with you about.”;

14 c. A Managing Director (a California employee [AC] whom he had listed among his
15 targets in Project Colony and who ultimately joined Stepanis’ team at HSBC Bank
16 USA) to say, “I hope you are hanging in there. Such a sad time right now for so
17 many of us. I am back in the Bay Area next week and wanted to see if you were up
18 for grabbing lunch or a coffee?”;

19 d. Another Managing Director (an employee [JP] whom he had listed among his
20 targets in Project Colony) to say, “hope you are hanging in there my friend. What
21 an absolute tragedy we are living through. I am starting to orient my thoughts and
22 actions to the future - wanted to discuss this with you. Are you up for a coffee or a
23 lunch next week?”

24 126. Sabow invited Erin Platts, SVB UK’s CEO, to speak via WhatsApp, and Platts
25 accepted the invitation.

26 Friday, March 17, 2023

27 127. On March 17, 2023, Sabow continued to draft and refine Project Colony. For
28 Quinn’s and Shweta Solanski’s review. Solanski was SVB UK’s Chief of Staff.

1 128. Also on March 17, 2023, Sabow worked on a spreadsheet tracking his contact with
2 the Pillars. On this spreadsheet (the “Tracking Spreadsheet”), he listed each Pillar, stated whether
3 he had successfully contacted them to discuss Project Colony, and then noted if they were “In”
4 (meaning that they agreed to participate in his Project Colony scheme). He also provided the
5 same information for dozens of then-Bridge Bank employees he was targeting in California and
6 across the country.

7 129. Also on March 17, 2023, Sabow sought feedback on Project Colony from Solanki.
8 Providing her with a copy, Sabow wrote that he “would love for you to give this a quick review if
9 you are willing.” He also stated, “Highly confidential so please do not discuss or share.”

10 130. Solanki asked Sabow what would happen when the Bridge Bank was acquired.
11 Later that day, March 17, 2023, Solanki and Sabow spoke by phone. As First Citizens expects to
12 establish upon further investigation and discovery, they discussed Project Colony.

13 131. Also on March 17, 2023, Sabow provided a copy of Project Colony to Greg
14 Guyett, HSBC Holdings’ CEO of Global Banking & Markets. Sabow wrote, “I am sharing a
15 rough overview of the opportunity for US venture banking that we discussed (redacting select
16 sensitive information).” Sabow told Guyett that the financial model was “driven by client
17 acquisition and past platform experience around profitability and capacity characteristics.” He
18 added, “if this is of strategic interest we would need to lock down some of the key senior hires in
19 the near term. (Noel [Quinn] had mentioned it may make sense to meet with Michael Roberts
20 [HSBC Holdings’ Group Managing Director and Executive Committee member, HUSI’s
21 Chairman, President and CEO; and HSBC Bank USA’s Chairman] . . . I am of course happy to do
22 a call or visit him in New York.)”

23 132. When Sabow provided Project Colony to Guyett, it was redacted in part. By
24 redacting portions of the plan, Sabow made plain to Guyett that he was willfully and maliciously
25 using Bridge Banks’s confidential and proprietary information. Guyett did not respond with any
26 concerns about Sabow’s use of redacted information in Project Colony.

27 133. On March 17, 2023, Sabow sent a copy of Project Colony to Patel in California
28 with a note saying, “Please take a look and let me know what you think.”

1 Saturday, March 18, 2023

2 134. On March 18, 2023, Sabow continued to draft and refine Project Colony.

3 135. On March 18, 2023, Sabow communicated with another Bridge Bank employee
4 who ultimately followed him to HSBC Bank USA. Sabow said, “[j]ust flying back to see my
5 family - need some support and want to spend some time with my SVBers from the colony.
6 Something great will emerge from these ashes - I am working on it. Keep your phone on my
7 friend and let’s stay connected.”

8 136. On March 18, 2023, Sabow flew from London to San Francisco.

9 137. On March 18, 2023, Kidder communicated with Sabow to say, “Look forward to
10 seeing you in person some time.”

11 138. On March 18, 2023, Sabow continued his campaign to seek buy-in from the
12 various HSBC Entities by touting the economic benefits all of the Entities would enjoy if they
13 approved of Project Colony. Sabow sent a copy of Project Colony to Stuart Tait, HSBC UK’s
14 Head of Commercial Banking, and said, “there has never been a combination of this scale in the
15 venture banking area and it creates a once in a generation opportunity I thought I would share the
16 attached overview I prepared around the potential for a global expansion for this effort – if
17 nothing else hopefully this provides you with some additional insight on the venture banking
18 component of the business specifically.” Tait responded to say, “Many thanks for sharing the
19 attached deck, which sounds exciting.” Tait added, “We need to maximise all the opportunities
20 created by coming together.”

21 139. When Sabow provided Project Colony to Tait, it was redacted in part. By redacting
22 portions of the plan, Sabow made plain to Tait that he was willfully and maliciously using SVB’s
23 confidential and proprietary information. Tait did not respond with any concerns about Sabow’s
24 use of redacted information in Project Colony. Project Colony

25 140. On March 18, 2023, Sabow also provided Ian Stuart, HSBC UK’s CEO, a copy of
26 Project Colony and said, “I wanted to share the attached materials I pulled together (also shared
27 these with Greg Guyett yesterday).” Stuart responded in part by saying, “there is no doubt, HSBC
28 see [sic] this as a key market where we want to operate.” He also asked Sabow if he had time to

1 meet with Greg Guyett (HSBC Holdings' CEO of Global Banking & Markets) and Michael
2 Roberts (HSBC Holdings' Group Managing Director and Executive Committee member, HUSI's
3 Chairman, President and CEO; and HSBC Bank USA's Chairman). Stuart also acknowledged "if
4 we are going to move, we will have to move at pace." Sabow responded, "I had an engaging
5 discussion with Greg on Wednesday and we spoke again last evening. I have not yet connected
6 with Michael but would welcome the opportunity to do so – I believe Greg was going to reach out
7 to him to discuss. I am in the SF Bay Area this week meeting with many of the key players to
8 support this strategy."

9 141. When Sabow provided Project Colony to Stuart, it was redacted in part. By
10 redacting portions of the plan, Sabow made plain to Stuart that he was willfully and maliciously
11 using SVB's confidential and proprietary information. Stuart did not respond with any concerns
12 about Sabow's use of redacted information in Project Colony. Project Colony

13 142. On March 18, 2023, Michael Roberts contacted Sabow and said, "Welcome to
14 HSBC. I did speak to Greg [Guyett] and have your memo, which I've read." He added that he
15 "would love to discuss your [i.e., Sabow's] views of the business and your memo."

16 Sunday, March 19, 2023

17 143. On March 19, 2023, Sabow continued to draft and refine Project Colony. While
18 doing so, he repeatedly toggled back and forth over a four-hour period to a spreadsheet dated
19 January 20, 2023 which contained a large amount of confidential information concerning the
20 performance of his direct reports (including Andersen, Longo, Patel, Hanlon and Stepanis) and
21 the business under their supervision, including information concerning incentive gross profit,
22 direct expense management, direct return on equity, revenue information, year over year loan
23 growth, year over year headcount growth, year over year client growth, loan and deposit data, and
24 direct net income.

25 144. On March 19, 2023, Stuart Tait asked Sabow whether Project Colony had been
26 shared with Noel Quinn and others. Sabow responded, "this has been shared with Michael
27 Roberts, Greg Guyett, and Ian [Stuart] at this point. I know the team was also discussing with
28 Noel (believe there was a meeting yesterday)." Thus, at this point, Project Colony had been

1 disclosed to, and was under consideration by executives of HSBC Holdings, HSBC UK, SVB
2 UK, HUSI, and HSBC Bank USA.

3 Monday, March 20, 2023

4 145. On March 20, 2023, Sabow continued to draft and refine Project Colony. He also
5 met in California with at least three of the employees he had listed among his targets in Project
6 Colony.

7 146. On March 20, 2023, Andersen and Hanlon spoke by phone for approximately
8 twenty-one minutes. As First Citizens expects to establish upon further investigation and
9 discovery, they discussed Project Colony.

10 Tuesday, March 21, 2023

11 147. On March 21, 2023, Sabow continued to draft and refine Project Colony.

12 148. On March 21, 2023, Hanlon googled “michael roberts hsbc.” As First Citizens
13 expects to establish upon further investigation and discovery, Hanlon made this Google search
14 because Sabow had discussed Project Colony with her.

15 149. On March 21, 2023, Greg Guyett contacted Sabow and suggested that they find
16 some time to speak in the morning. Guyett also introduced Sabow to Barry O’Byrne, HSBC
17 Holdings’ Chief Executive of Global Commercial Banking and said it “[w]ould be good for [the]
18 two of you to speak.” Sabow and O’Byrne spoke later that day.

19 150. On March 21, 2023, Ian Stuart (HSBC UK’s CEO) provided a copy of Project
20 Colony to Willard McLane, whom he introduced to Sabow as “our Group Head of strategy.”
21 Stuart told Sabow that McLane was “keen to speak with you.”

22 151. On March 21, 2023, Sabow met in California with one of the employees on
23 Stepanis’ team whom he had listed among his targets in his Project Colony.

24 152. On March 21, 2023, Sabow provided an update to Paola Parsons (SVB UK’s Chief
25 Human Resources Officer). Sabow noted that he was taking calls from HSBC’s head of strategy,
26 global head of commercial banking, and head of investment bank regarding Project Colony.

27 153. On March 21, 2023, Sabow spoke with Guyett and Will McLane by phone
28 concerning Project Colony.

1 154. On or about March 21, 2023, Sabow met with Defendants Patel, Stepanis, Longo,
2 Hanlon, and Andersen to discuss the vision for Project Colony. During this meeting, Sabow
3 obtained, discussed, and validated the confidential information contained in, and upon which
4 Project Colony was based, and he also solicited the executives to leave SVB *en masse*. Sabow
5 took detailed notes of the meeting. Sabow, Hanlon and Patel participated in person in California.
6 The others joined by Zoom. At that time, all of the Individual Defendants were employees of the
7 Bridge Bank.

8 155. During the call, Sabow explained the purpose of Project Colony and explained
9 what he needed Defendants Patel, Stepanis, Longo, Hanlon, and Andersen to do. In his opening,
10 Sabow noted that “[N]o one has any commitment by being here right now . . .” and he explained
11 that the situation with SVB “creates an amazing market opportunity . . . If we find out that a top 5
12 balance sheet with a strong reputation is acquiring the core of the Accelerator & Growth
13 portfolio, I want to be part of that platform; . . . if a no name regional bank acquires the team and
14 assets, I am going to build something to put them out of business, because our team members and
15 the market deserves better . . .” (Emphasis supplied). Sabow additionally explained what HUSI
16 brought to the table and noted that the Defendants “Need to actually hire this at size in order for
17 this to be meaningful;” and he exhorted them, “Don’t nibble at this – show your commitment;
18 Every person you hire is going to bring accounts with it – can gain market share fast; . . . going to
19 be a big leap and need to be comfortable with this – this might be the best time in history to enter
20 this market; what are the limits on size and scale for this – quick decision making.” Sabow also
21 noted that they “Need to make a splash with 30, 40, 50 people out of the gate . . .”

22 156. On or about March 21, 2023, Andersen prepared and saved notes concerning her
23 evaluation of Project Colony and her input on business development and what staffing would be
24 needed for lift-out and support from HSBC, based on SVB’s confidential and proprietary
25 information.

26 157. Andersen’s notes of March 21, 2023 include numerous pieces of SVB’s
27 confidential and proprietary information concerning SVB’s Life Science & Healthcare
28 Technology team’s deployment of SVB’s resources and expected Gross Profit and growth from

1 SVB's customers. This confidential information included the total amount of SVB's Life Science
2 & Healthcare Technology group's commitments broken down by "Sponsor Finance / LevFin &
3 Corporate Banking" and venture debt and growth capital invested in categories of healthcare
4 technology clients. Andersen's notes discuss how they need to "create followership" to get other
5 employees to come with them. As First Citizens expects to establish upon further investigation
6 and discovery, Andersen shared this confidential and proprietary information with Sabow.

7 158. Andersen's notes reflect her thoughts on taking clients and employees from SVB
8 and what was needed from the HSBC Entities to handle the projected volume of clients and loan
9 commitments. Her notes specify that "MISSION CRITICAL FOR SUCCESS" is "THE RIGHT
10 PEOPLE FOR TALENT" and "SUB-SECTOR SPECIALIZATION." (Emphasis in original).

11 159. Sabow also sought input from each of the Individual Defendants regarding Project
12 Colony. Sabow spoke with each Individual Defendant numerous times to refine and further
13 develop the plan, both before and after March 27, 2023. As explained above and below, these
14 meetings were by telephone and in person, and they occurred while the Individual Defendants
15 were employees of the Bridge Bank, and then, after March 27, 2023, First Citizens.

16 Wednesday, March 22, 2023

17 160. On March 22, 2023, Sabow met in California with one of the employees whom he
18 had listed among his targets in Project Colony, an employee who later resigned to join Sabow and
19 Stepanis at HSBC Bank USA.

20 161. On March 22, 2023, Will McLane (HSBC Holdings' Head of Strategy) directed
21 Sungmahn Seo and Mary MacLeod to speak with Sabow regarding rolling out their future venture
22 debt business. Sungmahn Seo is Managing Director of Commercial Banking at HSBC Holdings.
23 Mary MacLeod is the Global Head of Strategy and Chief Commercial Officer, Global Banking
24 and Markets for one of the HSBC Entities.

25 162. A short while later, on March 22, 2023, Sabow informed Barry O'Byrne (HSBC
26 Holdings' Chief Executive of Global Commercial Banking) that he "just spoke to Will [McLane]
27 and he is connecting me with your strategy team to build out the model and approach in more
28 granular detail."

1 163. Later on March 22, 2023, Sabow told Will McLane, Sungmahn Seo and Mary
2 Macleod that some people whom he had targeted had resigned from the Bridge Bank, and “[w]e
3 need to move faster if we want to do this.”

4 Thursday, March 23, 2023

5 164. On March 23, 2023, Sabow continued to draft and refine Project Colony.

6 165. Sabow contacted Barry O’Byrne (HSBC Holdings’ Chief Executive of Global
7 Commercial Banking) to say, “We are seeing some material departures starting to happen at SVB.
8 I have a call with your strategy team on Sunday - I think we will need to move faster if we want
9 to make this happen. Please ping my mobile when you can (regardless of time in California).”

10 166. Sabow updated his Tracking Spreadsheet to reflect who else indicated they were
11 “In.” Among those Sabow listed as “In” were Patel, Longo, Stepanis, and Hanlon. Kidder was
12 listed as an “Alternate.” Andersen was listed as one of his targets, but no status was provided.

13 167. On March 23, 2023, Sabow met in California with one of the employees on
14 Andersen’s team whom he had listed among his targets in Project Colony, an employee who later
15 resigned to join Sabow and Andersen at HSBC Bank USA.

16 168. On March 23, 2023, Sabow met in California with an employee [AC] whom he
17 had listed among his targets in Project Colony, an employee who later resigned to join Sabow and
18 Stepanis at HSBC Bank USA.

19 169. On March 23, 2023, Sabow met with Matt Perlow regarding Project Colony. Perlow
20 was an employee of the Bridge Bank whose title was Senior Vice President, Technology Banking.
21 After their meeting, Perlow prepared a draft email to Sabow. The draft email stated, “Dave, it was
22 great to see you” and “I appreciate the candidacy.” It further stated, “I appreciate that you guys are
23 needing to move quickly on bringing over a lot of people.” Perlow further noted that he needed to
24 be “very deliberate about which decision I decide to make next. . . . I’m not fully ready to make a
25 decision and commit. I absolutely recognize you have a deadline and I are [sic] working to bring
26 on 100 people, and I know that that’s no easy task.” Perlow ultimately decided to join Sabow and
27 the Individual Defendants at HSBC Bank USA, and he was among the forty-plus employees who
28 resigned on Easter Sunday.

1 170. On March 23, 2023, Michael Roberts asked Sabow if he was available “for a chat
2 around 10 EST today?”

3 171. On March 23, 2023, Mabel Rius, Senior Executive Vice President and Head of
4 Human Resources for HUSI and HSBC Bank USA reached out to Sabow and said, “Michael
5 [Roberts] gave me your contact” and “Are you open for a phone call or zoom call?”

6 172. Sabow sent Patel an email setting forth his “Initial idea” for staffing in the San
7 Francisco, New York and Boston areas.

8 173. On March 23, 2023, Stepanis accessed and printed on her personal printer a report
9 (the “9-Block Report”) concerning approximately 830 employees. The 9-Block Report is a
10 confidential report used by SVB to analyze, display, and compare employee work performance
11 and potential. It is a talent management tool that helps human resources and managers effectively
12 identify leaders and strategically prepare employees for future roles. It identifies employees by
13 name, level, performance rating, and potential. It contains notes specific to employees detailing
14 their strengths and experience and it assigns them a numerical rating. Employees are ranked on a
15 scale of 1-9, with 9 being the best.

16 174. Stepanis did not have any legitimate business need to print the entire 9-Block
17 Report concerning 830 employees. Stepanis printed the 9-Block Report at the same time she was
18 considering and planning her defection and the departure of dozens of SVB employees. Stepanis
19 used this information to assist Sabow in shaping Project Colony and to aid the scheme against
20 First Citizens and its workforce that was carried out as described below.

21 175. The information contained within the 9-Block Report is a compilation of SVB’s
22 business information that is secret and valuable because it is not generally known to, and not
23 capable of being readily ascertained through proper means by competitors such as HSBC who can
24 obtain economic value from the disclosure or use of the information.

25 176. Information contained in the 9-Block Report printed by Stepanis was used by the
26 Defendants after March 27, 2023.

27 177. On March 23, 2023, Longo noted to Stepanis he had not heard from Sabow since
28 the meeting with the Pillars two days earlier, though he had not proactively reached out.

1 Friday, March 24, 2023

2 178. On March 24, 2023, Sabow continued to draft and refine Project Colony.

3 179. On March 24, 2023, Sabow met via Zoom with Mabel Rius, Senior Executive
4 Vice President and Head of Human Resources for HUSI and HSBC Bank USA. As First Citizens
5 expects to establish upon further investigation and discovery, Sabow and Rius discussed the
6 logistics of onboarding *en masse* the employees targeted through Project Colony.

7 Saturday, March 25, 2023

8 180. On March 25, 2023, Sabow continued to draft and refine Project Colony.

9 181. On March 25, 2023, Sabow emailed a copy of the financial model underlying
10 Project Colony to his personal email account.

11 Sunday, March 26, 2023

12 182. On March 26, 2023, Sabow continued to draft and refine Project Colony.

13 183. On March 26, 2023, Sabow sent a calendar meeting invitation titled “Follow-up
14 Colony Discussion” to Longo, Andersen, Stepanis, Patel, and Hanlon.

15 184. On March 26, 2023, the FDIC announced that it had entered into a purchase and
16 assumption agreement for all deposits and loans of the Bridge Bank by First Citizens. The
17 purchase and assumption agreement provides that it is effective as of March 27, 2023.

18 **I. First Citizens Acquires the Assets of SVB, and the Defendants Execute Project
19 Colony**

20 Monday, March 27, 2023

21 185. On March 27, 2023, all employees of the Bridge Bank who are relevant to the
22 claims alleged herein—including Patel, Stepanis, Andersen, Hanlon, Longo and Kidder—became
23 employees of First Citizens.

24 186. By March 27, 2023, Longo had already told Sabow he was “In.” Anticipating his
25 soon-to-be new employment, on March 27 he googled “hsbc glassdoor.” (Glassdoor is a website
26 where current and former employees anonymously review companies.)

27 187. On March 27, 2023, Sabow continued to draft and refine Project Colony. He also
28 created and spent many hours working on a document he titled “HSBC Future State Document 3-

1 27-23.docx.” The document was the planned vision of Project Colony, projected five years into
2 the future. He described it as “HSBC Venture Banking Case Study – Five Years Later.” He listed
3 the “unique things” HSBC did when it started its “U.S. venture-banking business” through Project
4 Colony. He wrote: “HSBC assembled a team of 40 people hand-picked based on their
5 relationships, reputations, and functional expertise across the innovation ecosystem.” The
6 document sketched out a staffing model mirroring that which was contained in Project Colony.

7 188. On March 27, 2023, Sabow sent his Future State document to Sungmahn Seo,
8 Managing Director of Commercial Banking at HSBC Holdings, and he spoke to Seo by Zoom
9 about it.

10 Tuesday, March 28, 2023

11 189. On March 28, 2023, Sabow continued to draft and refine Project Colony, using
12 and including the SVB trade secrets and confidential information.

13 190. On March 28, 2023, Sabow sent a copy of his Future State document and Project
14 Colony, including all confidential information contained therein, to Erin Platts (SVB UK’s CEO)
15 and Paola Parsons (SVB UK’s Chief Human Resources Officer). He told them he was “sharing
16 some documents I have pulled together to support my discussions around the opportunity.” Platts
17 and Sabow then discussed the Future State document, Project Colony, and Platt’s comments for
18 improving or implementing Sabow’s plans.

19 Wednesday, March 29, 2023

20 191. On March 29, 2023, HSBC Bank USA sent Sabow various documents explaining
21 the benefits it offers to employees in the USA. Sabow provided these documents and a copy of
22 his Future State document to each of the Pillars.

23 192. On March 29, 2023, Sabow introduced Hanlon to Sungmahn Seo (Managing
24 Director of Commercial Banking at HSBC Holdings) and Jennifer Capasso (HUSI’s and HSBC
25 Bank USA’s Head of Embedded Banking & Platforms). He asked them to include Hanlon in a
26 discussion about the “US onboarding journey.” Sabow explained that he and Hanlon were “biased
27 to connecting sooner rather than later.” As First Citizens expects to establish upon further
28

1 investigation and discovery, the planned discussion was about onboarding the first “wave” of
2 First Citizens employees targeted for hiring as contemplated by Project Colony.

3 193. On March 29, 2023, Paola Parsons (SVB UK’s Chief Human Resources Officer)
4 connected Sabow with SVB UK employee Tom Dearden. Sabow offered to send Project Colony
5 (which would necessarily include the confidential information contained therein) to Dearden via
6 WhatsApp. Dearden and Sabow then coordinated a time to talk. Sabow sent a copy of Project
7 Colony and his Future State document to Dearden.

8 194. On March 29, 2023, Sabow urged Michael Roberts to move Project Colony along
9 more quickly stating, “Pressure is building for leaders to make decisions.” As First Citizens
10 expects to establish upon further investigation and discovery, the “leaders” include the senior
11 executives of each of the HSBC Defendants who would decide to operationalize Project Colony.

12 Thursday, March 30, 2023

13 195. On March 30, 2023, HSBC Bank USA extended to Sabow an offer of employment
14 effective April 17, 2023. In his new role, Sabow would be reporting directly to Wyatt Crowell,
15 Senior Executive Vice President, Head of Commercial Banking. His employment offer included
16 substantial financial inducements to motivate and incentivize Sabow to execute and implement
17 Project Colony.

18 196. Sabow’s offer of employment was conditioned upon him agreeing that if and when
19 he leaves HSBC Bank USA, he will not solicit or hire anyone who works for any HSBC Entity
20 worldwide. The HSBC entities required Sabow—a California resident and employee—to agree to
21 this condition to protect their interests.

22 197. On March 30, 2023, Sabow worked on a spreadsheet which, among other things,
23 set forth the details of the compensation to be offered by HUSI to Andersen, Kidder, Patel,
24 Stepanis, Hanlon, Longo, and the SVB managing directors and venture capital relationship
25 managers. For each solicited target, Sabow specified how much they were currently making at
26 First Citizens in terms of salary, fixed pay, and variable pay. He also listed the “new”
27 compensation they would be offered at HUSI, which represented substantial increases.

28

1 198. Sabow drafted a letter to another potential employer declining their employment
 2 offer. Sabow explained that he was declining their offer because it was contrary to his vision,
 3 which he described in part as follows: “I would run a newly combined Technology & Healthcare
 4 group for [the potential employer]. . . . I would want the empowerment to design the org chart,
 5 including bringing on key leaders to oversee Technology, Investor Coverage and Life Sciences. I
 6 know you have a strong team in place so we would navigate this thoughtfully and with empathy. I
 7 am fortunate to have some core talent ‘pillars’ who will follow me wherever I go for my next role
 8 – these are individuals with a unique combination of followership and incredible market
 9 relationships. They will require leadership positions and they will bring the best talent in the
 10 industry with them.”

11 Friday, March 31, 2023

12 199. On March 31, 2023, Sabow continued to draft and refine Project Colony.

13 200. On March 31, 2023, Michael Roberts reached out to Sabow to ask if he had time
 14 for a call. As First Citizens expects to establish upon further investigation and discovery, Roberts
 15 and Sabow spoke later that day concerning the specifics of whether, how and when to execute the
 16 Project Colony scheme.

17 201. On March 31, 2023, Stepanis searched for the following on Google: “negotiating
 18 salary job offer” and “hsbc glass door.”

19 202. On March 31, 2023, Longo informed Stepanis that he was on the phone with
 20 Michael Roberts (HSBC Holdings’ Group Managing Director and Executive Committee member,
 21 HUSI’s Chairman, President and CEO; and HSBC Bank USA’s Chairman):

22 **Kevin Longo** 3/31/2023 2:33:32 PM
 23 jesus. on the phone with HSBC CEO right now. he called me out of the blue
 24 Melissa Stepanis MStepanis@svb.com +surprised 3/31/2023 2:33:40 PM

25 Stepanis wondered whether she had missed a call from Roberts and asked Longo, “Was it a White
 26 Plains #?” Longo indicated it was. A few days later, Longo told Stepanis he was looking
 27 favorably upon the possibility of joining HSBC Bank USA:
 28

1 **Kevin Longo 4/3/2023 8:19:21 AM**
2 **White Plains looking better**
3

4 203. On March 31, 2023, while Longo was on the phone with Roberts, Stepanis told
5 Longo to ask Roberts for 100 offer letters and revised salaries that could be presented to First
6 Citizens' employees.

7 204. On March 31, 2023, a First Citizens employee asked Longo, "can we get [S]abow
8 back?" Longo responded, "I keep texting him to please come back." Longo intentionally misled
9 this employee to keep the impending raid a secret. Longo deliberately chose to put his interests
10 and the interests of HSBC USA, his future employer, ahead of First Citizens.

11 205. On March 31, 2023, Hanlon accessed the 9-Block Report. As noted above, the 9-
12 Block Report, containing trade secrets and compilations of trade secrets belonging to First
13 Citizens is a confidential report used to analyze, display, and compare employee work
14 performance and potential. As First Citizens expects to establish upon further investigation and
15 discovery, Hanlon did not have any legitimate need to access and utilize this information at the
16 time she did so, and she misused the information contained in this spreadsheet in furtherance of
17 Project Colony, including the scheme to target and recruit certain First Citizens employees.

18 206. After March 27, 2023, in the days leading up to her departure, Hanlon repeatedly
19 accessed, modified or downloaded (dozens of times) spreadsheets and other documents
20 containing trade secrets and confidential information. In fact, some of them had the word
21 "Confidential" or "Do Not Share" in their titles. The contents of these spreadsheets align with
22 information used to develop and execute Project Colony:

- 23 a. Two of the files contain a compilation of detailed information about SVB
24 employees, including many of those specifically targeted by Project Colony. These
25 spreadsheets specify the state where the employee lives, when the employee was
26 hired, whether their role is exempt, their "Compensation Grade," their total base
27 pay, compensation ranges, the markets and sub-specialties in which they worked,
28

1 their managers, and information about their incentive targets. Hanlon’s “team”
2 members who followed her to HUSI are contained within these spreadsheets.

- 3 b. Another spreadsheet contains a compilation of data concerning hundreds of
4 employees, including their 9-Block ratings, salaries, variable compensation
5 information, bonus information (including how their bonuses are computed), their
6 managers, when they were hired, where they are located, whether employees were
7 slated to receive a promotion and their proposed new roles with supporting
8 rationales.
- 9 c. Another spreadsheet listing 170 employees, many of the employees’ 9-Block
10 ratings, their hire dates, job titles, tenure, management level, the division the
11 employee is in, work location, work emails, and their managers in level down from
12 the CEO.
- 13 d. Two other spreadsheets contain compensation information across all levels of
14 relationship advisors and relationship service advisors, e.g., what SVB was paying
15 someone with the job title “Senior Relationship Advisor,” including low,
16 midpoint, and high ranges for salaries across different geographic tiers.
- 17 e. Yet another spreadsheet contains 9-Block information for 167 relationship
18 advisors across SVB. Notably, it includes two of the three employees who left to
19 join Hanlon’s team at HSBC, both of whom were rated at the highest level, “Block
20 9 - Leading Edge.”

21 207. After March 27, 2023, in the days leading up to her departure, Andersen
22 repeatedly accessed, modified or downloaded (dozens of times) spreadsheets and other
23 documents containing confidential information. The contents of these spreadsheets align with
24 information used to develop and execute Project Colony:

- 25 a. One spreadsheet shows information for approximately 50 employees, including
26 their names, job titles, tenure, management level, their managers, their executive
27 group (“Tech & Healthcare Banking” for all), their respective division (a mix of
28 “Life Sciences” and “Healthcare Corporate Banking”), their department, their

1 business unit, their location, their salaries and total cash compensation, whether
2 they were a “Franchise Player,” a final “Retention Score,” and the status of their
3 retention (with notes like “SENT - 3.31.23”).

4 b. One slideshow contains a comprehensive overview of SVB’s Life Sciences and
5 Healthcare (“LSHC”) team as it existed in August 2022, complete with statistics
6 about the team and strategy for building the team and the team’s capacity over
7 time.

8 c. Another spreadsheet contains a list of hundreds of clients, broken down by team,
9 borrower type, loan balances, whether the client also had other credit products that
10 SVB offered, and loan statistics.

11 d. Yet another spreadsheet contains information about thousands of LSHC clients,
12 including how long they had been an SVB client; what “tier” they were in (e.g.,
13 gold, silver, bronze); the team member responsible for servicing their accounts; the
14 subindustries in which they worked; whether they were publicly or privately
15 owned; their core loan balances; deposit balances; and investment balances.

16 e. Another slideshow contains an analysis of the Life Sciences and Healthcare team’s
17 Accelerator Group (“AG”) sector, including team members; an overview of client
18 statistics, including market shares of relevant target markets; and a geographic
19 breakdown of clients.

20 208. After March 27, 2023, in the days leading up to his departure, Longo repeatedly
21 accessed and modified (fifteen times) a spreadsheet containing confidential information that
22 aligns with information used to develop and execute Project Colony. For each of the members on
23 his team, it contains their hire dates, positions, salaries, bonuses, and data underlying their
24 bonuses, as well as aggregate statistics about loan performance (broken down by loan type,
25 region, and loan growth numbers for the members of his team).

26 209. As First Citizens expects to establish upon further investigation and discovery,
27 Hanlon, Andersen, and Longo did not have any legitimate need to access and utilize this
28 information at the time they did so, and they misused the information in furtherance of Project

1 Colony. As First Citizens also expects to establish upon further investigation and discovery,
2 Hanlon, Andersen, and Longo retained information contained in these documents upon their
3 departure and have used it in their capacity as employees and agents of the HSBC Entities to
4 compete unfairly with First Citizens.

5 Saturday, April 1, 2023

6 210. On April 1, 2023, Sabow spent several hours further drafting and refining a
7 spreadsheet detailing potential compensation for Andersen, Kidder, Patel, Stepanis, Hanlon,
8 Longo, and the SVB managing directors and venture capital relationship managers. While doing
9 so, he toggled back and forth between it and the Project Colony plan. As First Citizens expects to
10 establish upon further investigation and discovery, Sabow was using the confidential information
11 within and upon which Project Colony was based to further shape the compensation packages to
12 offer to First Citizens' employees.

13 Sunday, April 2, 2023

14 211. On April 2, 2023, Andersen saved a spreadsheet containing notes regarding (i) the
15 financial terms of an offer that she received or expected to receive from HUSI/HSBC Bank USA,
16 (ii) the financial terms of offers certain members of her team received or were going to receive,
17 and (iii) specific matters she discussed or intended to discuss with Michael Roberts. Regarding
18 the latter, Andersen's notes concerning her discussion with Roberts state: "curious to hear how
19 you're thinking about this." She also wrote: "I can promise followership."

20 Monday, April 3, 2023

21 212. On April 3, 2023, Sabow and Kidder spoke by phone. As First Citizens expects to
22 establish upon further investigation and discovery, Sabow and Kidder spoke about Project
23 Colony, including what employees Kidder could and would recruit and concerning the specifics
24 of whether, how and when to execute the Project Colony scheme.

25 213. On April 3, 2023, Sabow flew from San Francisco to Newark, New Jersey in order
26 to meet with executives from HUSI and HSBC Bank USA the next day in New York.

27
28

1 Tuesday, April 4, 2023

2 214. On April 4, 2023, Sabow told Erin Platts (SVB UK's CEO) that he was expecting
3 to discuss the specifics of HSBC's investment in Project Colony later that day.

4 215. On April 4, 2023, Sabow met with Michael Roberts (HUSI's Chairman of the
5 Board of Directors, President and CEO), Mabel Rius (Senior Executive Vice President and Head
6 of Human Resources for HUSI and HSBC Bank USA), Wyatt Crowell (HSBC Bank USA's
7 Senior Executive Vice President, Head of Commercial Banking) and Mauricio Rose (HSBC Bank
8 USA's Head of Performance & Rewards USA & Americas) in person. As First Citizens expects
9 to establish upon further investigation and discovery, Sabow, Roberts, Rius, Crowell, and Rose
10 spoke about "Project Colony" during their meetings, including the confidential information on
11 which it was predicated and the specifics of whether, how and when to execute the Project
12 Colony scheme.

13 216. On April 4, 2023, Sabow created and worked on a spreadsheet detailing his
14 staffing model for Project Colony. While working on this spreadsheet, Sabow referred to two
15 other spreadsheets: (1) the spreadsheet detailing potential compensation for Andersen, Kidder,
16 Patel, Stepanis, Hanlon, Longo, and the SVB managing directors and venture capital relationship
17 managers, and (2) a spreadsheet containing calculations for Project Colony. The staffing model
18 tethers together the names, positions, markets, and salaries of the employees who were targeted
19 because of their skills and business relationships. This compilation of information was not known
20 or readily ascertainable to others outside of First Citizens. Sabow, HUSI, and HSBC Bank USA
21 put together a staffing plan using the confidential, proprietary and trade secret information
22 described in this section. By using this information, HSBC Bank USA and HUSI were able to
23 offer compensation packages that enabled them to entice targeted employees to leave First
24 Citizens while still leaving room to generate profits off the business it was lifting out of First
25 Citizens.

26 217. On April 4, 2023, another First Citizens employee told Longo she believed Sabow
27 was not coming back and asked if he (Sabow) was going to HSBC. Longo said he had "no clue."
28 Longo intentionally misled this employee to keep the impending raid a secret. Longo deliberately

1 chose to put his interests and the interests of HSBC USA, his future employer, ahead of First
2 Citizens.

3 Wednesday, April 5, 2023

4 218. On April 5, 2023, Paola Parsons (SVB UK's Chief Human Resources Officer) sent
5 Sabow a spreadsheet dated April 5, 2023 containing compensation proposals. As First Citizens
6 expects to establish upon further investigation and discovery, this spreadsheet contains proposed
7 compensation data for the employees targeted by Project Colony that was created and shaped
8 using First Citizens' confidential information.

9 219. On April 5, 2023, Sabow sent himself a spreadsheet dated April 4, 2023 containing
10 general compensation metrics." He also sent it to Mabel Rius (Senior Executive Vice President
11 and Head of Human Resources for HUSI and HSBC Bank USA), Mauricio Rose (HSBC Bank
12 USA's Head of Performance & Rewards USA & Americas), Dianna Hollin (Head of Executive
13 Recruitment for HSBC Bank USA), Catherine Twarowski (HUSI/HSBC Bank USA Human
14 Resources) and others at HUSI and HSBC Bank USA. This spreadsheet contains a list of
15 compensation for various positions (managing directors for venture & growth, directors, vice
16 presidents, and venture capital relationship managers), including how much employees in those
17 positions were currently earning in total compensation, broken down by salary and variable pay,
18 and projecting payments made to people in those positions in the coming years. This compilation
19 of information is not known or readily ascertainable to others outside of First Citizens. Sabow
20 discussed this spreadsheet with Mabel Rius, Mauricio Rose, Dianna Hollin, and Catherine
21 Twarowski during a Zoom call with the subject "Org Chart Walk Through."

22 220. On April 5, 2023, Sabow and Patel spoke by Zoom. During the call, Sabow
23 accessed the spreadsheet detailing his staffing model for Project Colony. As First Citizens expects
24 to establish upon further investigation and discovery, Sabow and Patel discussed operationalizing
25 Project Colony and an offer for her, the other Pillars, and the other targeted employees to join
26 HSBC Bank USA.

27 221. As demonstrated above, Sabow created various spreadsheets containing a
28 compilation of valuable, non-public information that is not readily ascertainable by SVB's or

1 First Citizens' competitors including: (i) the identities, names, positions, and salaries of the
2 Defendant executives and more than three dozen of their subordinates that Sabow had identified
3 as "key professionals," as well as their locations and the markets they cover; (ii) "preliminary
4 financial model leveraging [Sabow's] key assumptions" which were predicated on specific dollar
5 amounts for SVB's loan portfolios with implied revenue and growth; (iii) an analysis of SVB's
6 loans for its US Accelerator & Growth Group with "compromised institutions"; (iv) tables
7 reflecting SVB's "win rate" against its core competitors segmented by deal size and numbers of
8 loans; (v) data underlying analysis of SVB's "win rate"; (vi) SVB practice overview notes,
9 including numbers of clients ranked by value to SVB, total value of loans, total client funds, total
10 value of deposits, total revenue, total pre-tax income, total dollar amount of core fees, total
11 number of clients, total percentage of return on equity, percentage of market share, headcount of
12 Life Science employees, and total headcount of employees in relationship management, business
13 development, and credit solutions groups. As First Citizens expects to establish upon further
14 investigation and discovery, Sabow shared these spreadsheets with the Entities and the Individual
15 Defendants.

16 Thursday, April 6, 2023

17 222. On April 6, 2023, Stepanis called one of the First Citizens employees on her team.
18 This employee was one of the employees expressly targeted in Project Colony and as First
19 Citizens expects to establish upon further investigation and discovery, this call related to Project
20 Colony. As explained below, this employee, along with dozens of other First Citizens' employees
21 resigned to join HSBC Bank USA.

22 223. On April 6, 2023, Sabow wrote to Mabel Rius (Senior Executive Vice President
23 and Head of Human Resources for HUSI and HSBC Bank USA), Dianna Hollin (Head of
24 Executive Recruitment for HSBC Bank USA) and Mauricio Rose (HSBC Bank USA's Head of
25 Performance & Rewards USA & Americas) and said, "Hopefully the discussions with the pillars
26 are going well today." Rius responded, "Getting the engine ready...." Sabow replied, "Whoo
27 hoo!" As First Citizens expects to establish upon further investigation and discovery, Rius, Hollin
28 and Rose were making offers to the Pillars on this date, the content and fact of which were based

1 on and enabled by Project Colony, which was devised by Sabow using First Citizens' confidential
2 information detailed above.

3 224. On April 6, 2023, a First Citizens Senior Market Manager sent an email to Kidder
4 (his boss) who at the time was the Head of Loan Administration. The email sought to alert Kidder
5 about existing competitive threats to the bank in the wake of SVB's failure. The email expressed
6 concern about a potentially escalating "run on the bank's talent" and noted that "[e]ach departure
7 adds to the snowball of the momentum towards leaving." It specifically named two competitors
8 (neither of which were HSBC) who were rumored to be looking to hire First Citizens' former
9 SVB employees. Despite receiving this report because of his status as a senior executive charged
10 with the duty of stabilizing matters, Kidder remained silent. He did not respond or tell anyone that
11 he, the other Pillars, Sabow, and HSBC were plotting to turn that "snowball" into an avalanche by
12 imminently diverting more than forty of the bank's key employees. Kidder deliberately chose to
13 put his interests and the interests of HSBC US, his future employer, ahead of First Citizens, and
14 he plowed ahead with Project Colony.

15 225. The email to Kidder also stated that "There is confidence around [the bank's Chief
16 Banking Officer] and the idea of bringing back Sabow." Kidder did not correct this
17 misimpression; he did not respond or tell anyone that he knew Sabow was not open to the idea of
18 returning to the bank.

19 Good Friday, April 7, 2023

20 226. On Good Friday, April 7, 2023, Sabow provided an update to Michael Roberts
21 (HSBC Holdings' Group Managing Director and Executive Committee member, HUSI's
22 Chairman, President and CEO; and HSBC Bank USA's Chairman) and Wyatt Crowell (HSBC
23 Bank USA's Senior Executive Vice President, Head of Commercial Banking). Sabow informed
24 them that he and Mabel Rius and her team were "hitting the phones hard" calling the targeted
25 First Citizens employees regarding proposed compensation packages.

26 Saturday, April 8, 2023

27 227. On April 8, 2023, Sabow asked Hanlon, "can you be my partner in crime to design
28 the first week and 'shadow ops' prior to the go live?" He further requested her thoughts on

1 building out an agenda, training, and operational readiness to help prepare for the launch of the
2 new business.

3 228. Also on April 8, 2023, Michael Roberts—together with Sabow and the Pillars—
4 was again involved in the execution of Project Colony by interviewing and extending offers to
5 dozens of First Citizens’ (formerly SVB) employees. Dividing them into two groups, Roberts led
6 a Zoom call with the targeted “key professionals” to persuade them to leave First Citizens
7 together and join HSBC Bank USA. Roberts’ first call was with Sabow, Patel, Kidder and the
8 employees on Patel’s and Kidder’s teams. Roberts’ second call was with Sabow, Andersen,
9 Stepanis and the employees on Andersen’s and Stepanis’ teams. As First Citizens expects to
10 establish upon further investigation and discovery, on and/or after March 28, 2023, each of the
11 Individual Defendants recruited one or more of the targeted First Citizens employees to attend the
12 call with Roberts and to leave First Citizens.

13 229. During each call, the employees were told they all were receiving job offers with
14 significant financial inducements that had to be accepted within hours.

15 230. Sabow celebrated the success of each call telling Michael Roberts and Wyatt
16 Crowell, as executives of HSBC Holdings, HSBC Bank USA, and HUSI: “Really great call this
17 morning – big thanks to both of you for making the time. I think the message was perfectly on
18 point and people are excited.” Sabow also reported that he “connected with Noel” Quinn, CEO
19 of HSBC Holdings, who wanted “to do a quick ‘welcome’ via Zoom to the new hires on
20 Wednesday evening UK time.”

21 *Easter Sunday, April 9, 2023*

22 231. On Easter Sunday, April 9, 2023, Roberts asked for a status update. Mabel Rius
23 said, “We have a team gathering in one hour and we will report then . . . Trying to get everybody
24 to start asap.” Sabow added that he “just pinged the team” and it “seems we are likely to have a
25 100% conversion rate.”

26 232. At the direction of HUSI and HSBC Bank USA, around 9:00 p.m. Eastern time on
27 Easter Sunday, more than forty employees (including the Individual Defendants) began sending
28 notice of their resignations, effective immediately. In less than half an hour, they were gone.

1 Many of their resignation emails were nearly identical. As First Citizens expects to establish upon
2 further investigation and discovery, HUSI and/or HSBC Bank USA provided a template for the
3 employees to use for their resignation emails.

4 233. Michael Roberts sent a welcome message to all of the employees saying, “While I
5 know tonight has probably been an emotional one, I wanted to personally welcome you to the
6 HSBC family.”

7 Monday, April 10, 2023

8 234. Sabow confirmed the successful lift-out the next day in a report to Paola Parsons
9 (SVB UK’s Chief Human Resources Officer).

10 235. In sum, the Individual Defendants identified the employees essential to the
11 business they aimed to take and carried out the scheme over a holiday weekend when First
12 Citizens would be unable to respond. Through this, they attempted to carry out Sabow’s plan to
13 put the acquirer of the Bridge Bank “out of business.”

14 **J. Impact of Mass Resignations**

15 236. Sabow and the individual Defendants set their sights on employees who had access
16 to and familiarity with SVB’s trade secrets and confidential information, such as its lending and
17 pricing strategies, deal lists, deal structuring strategies, research, business plans, technology, and
18 finances, as well as SVB’s customers’ and prospective customers’ financial information, points of
19 contact information, borrowing practices, purchasing habits, service requirements, prices, and
20 costs, among other things.

21 237. Not surprisingly, and perhaps by design, some of the employees took more than
22 they should have on their way out the door. For example, Perlow (who followed the Individual
23 Defendants to HSBC Bank USA) emailed himself (to his personal email address) a spreadsheet
24 on Monday, April 10, 2023, the day after the Easter Sunday raid (i.e., the day after Perlow
25 resigned from First Citizens). The spreadsheet contained an array of confidential and trade secret
26 information including: (i) names of more than 100 clients and prospects; (ii) notes regarding the
27 content of his interactions with the clients and prospects concerning facts pertinent to their
28 financial needs, in some instances related to specific transactions; (iii) value of client deposits;

1 (iv) investment balances; (v) dollar amount of loans and credit lines; (vi) segmentation of
2 clients/prospect by geographic region; (vii) classification of clients based on value, importance
3 and level of engagement with the business; and (viii) dates of last call with the client/prospects.
4 Accompanying this spreadsheet, Perlow also emailed himself a list of the clients’/prospects’
5 names and email addresses. First Citizens informed Defendants through their counsel about this
6 theft in May 2023, but Defendants never responded and have done nothing to address it. The
7 documents have not been returned to First Citizens.

8 238. The unfair competitive advantage seized by Defendants enabled them to short-
9 circuit the time normally required by a market entrant to: (i) identify a target market and to
10 validate the viability and potential profitability of a business plan to enter that market; (ii) develop
11 comprehensive financial projections that forecast revenues, costs and expenses associated with a
12 business plan, including financial modeling of estimated sales volumes, production costs,
13 operating expenses and anticipated cashflow; (iii) formulate the operational efficiency needed to
14 streamline processes, minimize waste, and reduce costs; (v) identify and assess potential risks that
15 could impact the profitability of the business plan, such as evaluating market risks, competitive
16 risks, regulatory risks, financial risks, and operational risks; (vi) develop risk mitigation strategies
17 to minimize the impact of pertinent risks and protect profitability. By seizing these unfair
18 advantages, the HSBC Entities were able to expedite the timeframe it normally takes to enter this
19 market—a market that itself has an incredibly high barrier to entry.

20 239. The HSBC Entities further secured an unfair advantage because the employees
21 delivered a readymade business without having to build it from the ground up. Consequently,
22 HUSI and HSBC Bank USA can target their products, services and marketing to a preselected
23 elite group of clients without the need to spend the significant amount of time, money and
24 resources that are normally required.

25 240. There can be no mistake that Sabow understood he was talking about taking
26 business away from the entity that would acquire the Bridge Bank’s assets (i.e., First Citizens). In
27 his Project Colony plan he stated: “re-taking this position of dominance will be core to the
28 strategic thesis of any ultimate acquiror of SVB’s U.S. portfolio.” He continued: “If a ‘super-

1 regional' or institution outside of the top 10 U.S. banks acquires the assets of SVB US, they will
2 have an inherent governor on their growth and market share in the near term.”

3 241. On April 11, 2023, just sixteen days after First Citizens acquired the Bridge Bank,
4 HSBC Bank USA announced they had hired a slate of SVB executives from First Citizens. See
5 [https://www.about.us.hsbc.com/newsroom/press-releases/hsbc-usa-hires-silicon-valley-veterans-](https://www.about.us.hsbc.com/newsroom/press-releases/hsbc-usa-hires-silicon-valley-veterans-to-lead-new-dedicated-offering-for-innovation-economy)
6 [to-lead-new-dedicated-offering-for-innovation-economy](https://www.about.us.hsbc.com/newsroom/press-releases/hsbc-usa-hires-silicon-valley-veterans-to-lead-new-dedicated-offering-for-innovation-economy) (last visited February 7, 2024). These
7 were the very same executives who had resigned *en masse* with their subordinates on April 9,
8 2023. In the words of HSBC Bank USA, the group was “led by David Sabow.” Id. Sabow was the
9 former Head of SVB’s Life Sciences and Technology Banking. In this position, Sabow had
10 unique and extensive knowledge of SVB’s proprietary information and trade secrets, and he had
11 extensive knowledge about and relationships with SVB’s workforce. Sabow was uniquely
12 situated to exploit and undermine SVB’s significant investments of time, money and resources in
13 recruiting, training and developing its workforce.

14 242. On April 28, 2023, First Citizens, by and through its counsel, sent letters to Sabow
15 and each and every one of the Individual Defendants. True and correct copies of the letters, not
16 including their attachments, are filed with this Court as ECF Nos. 1-1 through 1-7 and
17 incorporated as if set forth in full herein.

18 243. Each letter outlined Sabow’s and the Individual Defendants’ obligations not to use
19 confidential information they acquired from SVB/First Citizens (the “Company”) and not to
20 compete unfairly with the Company.

21 244. Each letter expressed the Company’s concern that Sabow and each Individual
22 Defendant has violated his/her obligations.

23 245. Each letter contained four specific demands that the Defendant receiving the letter:
24 (i) immediately purge and return all confidential information relating to the Company’s business;
25 (ii) immediately cease and desist from using or disclosing the Company’s confidential
26 information and provide a written assurance that s/he will refrain from such use and disclosure;
27 (iii) provide a list of each and every employee of the Company with whom s/he communicated
28 concerning her/his actual and/or potential departure from the Company; and (iv) provide a written

1 assurance that s/he will take steps necessary to ensure that all evidence will be preserved. See
2 ECF Nos. 1-1 through 1-7.

3 246. To this date, except to state that evidence will be preserved, neither Sabow nor any
4 one of the Individual Defendants has provided the requested written information or assurances.
5 To be clear, Sabow's and the Individual Defendants' counsel, who also represents the HSBC
6 entities, communicated with First Citizens' counsel and stated that no confidential information
7 had been misappropriated. First Citizens' counsel requested a written response to the four specific
8 demands in ECF Nos. 1-1 through 1-7. To date, no such written response has been provided
9 (except to state that evidence will be preserved). Instead, Sabow and the Individual Defendants
10 have taken an "I only intend to address that which you can specifically prove" approach to First
11 Citizens' demands, and they have asked First Citizens to "inform [them] if [First Citizens is]
12 aware of any specific confidential information that First Citizens believes was disclosed to HSBC
13 and which employee First Citizens believes made that disclosure." None of the confidential,
14 proprietary, and confidential information disclosed above has been returned.

15 247. Each Individual Defendant and Sabow understood that Project Colony was
16 predicated upon valuable, confidential information that was not publicly available.

17 248. Each Individual Defendant and Sabow understood that Project Colony required a
18 simultaneous "lift-out" of dozens of key employees, the effect of which was intended to inflict
19 serious damage upon First Citizens' ability to preserve its Technology & Healthcare Accelerator
20 & Growth market share.

21 **K. The Defendants' Actions Have Caused Significant Harm to First Citizens**

22 249. By and through their wrongful conduct described throughout this Complaint, the
23 Defendants have caused significant harm to First Citizens.

24 250. As explained above, the FDIC's role in the face of a bank failure is to bring calm
25 and stability to the situation. One way it does that is to liquidate the assets of a failed bank and
26 sell them to a healthy bank.

27 251. When one bank buys another bank, it typically does so in order to expand its
28 operations and increase its profitability. Increased profitability comes from:

- 1 a. Increased market share, i.e., gaining access to new customers and markets, which
- 2 leads to increased revenue and profitability;
- 3 b. Cost savings, e.g., streamlining the two banks' operations through elimination of
- 4 duplicate systems and processes, and consolidating physical locations; and
- 5 c. Cross-selling opportunities, e.g., gaining access to new customers, products and
- 6 services that the acquiring bank did not previously have, and by offering new
- 7 customers, products and services to the acquired bank that it previously lacked.

8 252. In bidding for SVB's assets, First Citizens had a reasonable expectation that it
9 would acquire the assets it purchased free from unlawful interference. The Defendants
10 deliberately undermined the value of the assets acquired by First Citizens.

11 253. In addition to causing economic harm and loss, the Defendants have eroded the
12 integrity of the auction process and diminished the trust that future buyers will have in the
13 fairness and reliability of such transaction.

14 254. By poaching the targeted executives and "key professionals"—both through the
15 use of confidential, proprietary and trade secret information, and the egregious breaches of other
16 duties—the Defendants unfairly replicated and took a large cross section of SVB's operational
17 knowledge and unlawfully acquired an unfair competitive advantage.

18 255. When banks fail, their employees face uncertainty and potential job loss. By
19 poaching employees here and seeking to have them provide confidential, proprietary and trade
20 secret information, the Defendants exacerbated this uncertainty and contributed to the disruption
21 of the job market.

22 256. The Defendants' actions were not only unethical, but they distort the fairness of
23 the auction process, serve to discourage future buyers, and undermine the stability of the banking
24 industry.

25 257. First Citizens is entitled to damages that include compensation for the diminution
26 of the value of the business it acquired which is traceable to the Defendants' wrongful conduct,
27 including such damages as are reflected by lost profits and expenses incurred. It is also entitled to
28

1 recover amounts (without seeking a double recovery) that reflect the unjust enrichment of the
2 Defendants and/or a reasonable royalty.

3 258. The fact that the Defendants' actions harm the public interest and undermine the
4 public trust only makes the conduct at issue that much more reprehensible. In addition to all
5 damages requested herein, punitive damages of a significant magnitude are warranted to
6 discourage the HSBC Entities and others from undermining and destabilizing the FDIC's
7 resolution and receivership process for the purpose of enriching themselves at the expense of their
8 competitors.

9 259. Aside from ambitious plans, Sabow touted the merits of Project Colony by telling
10 the other Defendants that the business they aimed to take would yield immediate and
11 extraordinary profits. Misusing the data described above, Sabow projected that Project Colony
12 would generate more than \$66 million of direct profit contribution in its first year alone. He
13 further projected that it would generate direct profit contribution in years two through five
14 amounting to more than \$278 million, \$541 million, \$868 million, and \$1.275 billion
15 respectively.

16 260. There can be no doubt—a substantial damages award is warranted in this case. Just
17 based on Sabow's projections, that amount should be at least \$1 billion.

18 **VII. CAUSES OF ACTION**

19 **A. FIRST CAUSE OF ACTION**

20 *(Breach of Contract – Confidentiality, Assignment, Non-Solicitation, and Unauthorized* 21 *Competition Obligations – Against Sabow, Patel, Stepanis, Longo, and Hanlon)*

22 261. First Citizens repeats, realleges, and incorporates paragraphs 1 through 260 as if
23 set forth in full herein.

24 262. On March 10, 2023, SVB was closed by the California Department of Financial
25 Protection and Innovation, which appointed the FDIC as receiver for SVB ("FDIC-Receiver-
26 SVB").

27 263. On March 10, 2023, FDIC-Receiver-SVB entered into a "Transfer Agreement"
28 through which it transferred substantially all of the deposits and assets to the Bridge Bank.

1 264. Under section 2.03(a) of the Transfer Agreement, among the assets that were
2 transferred from the FDIC-Receiver-SVB to the Bridge Bank were SVB’s ongoing operations,
3 including its Technology and Healthcare Banking group and all of SVB’s intellectual property
4 related thereto, including trade secrets and confidential and proprietary information (the
5 “Intellectual Property”)—as well as all agreements that:

- 6 a. protect the Intellectual Property, such as the “Confidential Information and
7 Invention Assignment Agreements for Employees” filed with the Court as ECF
8 Nos. 1-8 through 1-12 as (collectively, the “Confidentiality Agreements”). The
9 Confidentiality Agreements are incorporated by reference as if set forth in full
10 herein; and
11 b. preserve the staff to continue SVB’s ongoing banking operations, such as the
12 Confidentiality Agreements and their non-solicitation covenants.

13 265. On March 27, 2023, the Bridge Bank was closed by the Office of the Comptroller
14 of the Currency, which appointed the FDIC to serve as receiver for the Bridge Bank.

15 266. The position of the FDIC as receiver for the Bridge Bank (“FDIC-Receiver-Bridge
16 Bank”) is that the Confidentiality Agreements were transferred to the Bridge Bank. See ECF No.
17 53-1.

18 267. Also on March 27, 2023, the FDIC-Receiver-Bridge Bank entered into a “Purchase
19 and Assumption Agreement All Deposits” (“P&A Agreement”) through which it transferred
20 substantially all deposits and assets of the Bridge Bank to First Citizens.

21 268. Under section 3.1 of the P&A Agreement, among the assets that were transferred
22 from the FDIC-Receiver-Bridge Bank to First Citizens were the ongoing operations of SVB’s
23 Technology and Healthcare Banking group and the Intellectual Property—as well as all
24 Confidentiality Agreements that protect the Intellectual Property and preserve the staff to
25 continue such operations.

26 269. The position of the FDIC is that the Confidentiality Agreements and the right to
27 enforce them were acquired by First Citizens. See ECF No. 53-1.

28 270. First Citizens has the right to seek to enforce the Confidentiality Agreements.

1 271. As a condition of his employment with SVB, Sabow executed a Confidential
2 Information and Invention Assignment Agreement for Employees (Sabow’s “Agreement”). A
3 true and correct copy of Sabow’s Agreement is filed with the Court as ECF No. 1-8, incorporated
4 by reference as if set forth in full herein.

5 272. Sabow began his employment with SVB in or about May 2012 as a Senior
6 Relationship Manager. Throughout his employment, Sabow ascended through a series of
7 increasingly senior positions. In 2017, he became the Head of Life Sciences, Client Funds and
8 Products. In 2019, he became the Head of Life Sciences and Technology Banking. In 2022, he
9 was offered the position of CEO Silicon Valley Bank UK and Head of EMEA (i.e., Europe, the
10 Middle East, and Africa). He was slated to begin this most recent position on April 1, 2023.

11 273. The Agreement—which is between Sabow and Holdco and its subsidiaries,
12 affiliates, successors, and assigns—expressly contemplates that it would continue to apply to
13 Sabow throughout his various positions. See ECF No. 1-8 ¶ 12(a) (“Any subsequent change or
14 changes in my duties, obligations, rights or compensation will not affect the validity or scope of
15 this Agreement.”). Holdco, and its subsidiaries, affiliates, successors, and assigns, including SVB
16 and First Citizens (by means of the March 27, 2023 acquisition), are referred to hereafter as the
17 “Company.”

18 274. Sabow’s Agreement contains his promise not to use or disclose the Company’s
19 Confidential Information except for the benefit of the Company. See ECF No. 1-8 ¶ 3(a). The
20 Agreement defines “Confidential Information” in paragraph 3(a) as follows:

21 any Company proprietary information, technical data, trade secrets or
22 know-how, including, but not limited to, the Company’s: approach to
23 lending, lending and pricing strategies, deal structuring strategies,
24 research, product plans, products, services, suppliers, business plans and
25 strategies, markets, software, developments, inventions, technology,
26 designs, drawings, engineering, hardware configuration information,
27 marketing information and methods, licenses, financial proposals,
28 financial statements, finances, transactions, budgets, all personnel
information, customer lists and customers (both current and prospective,
including, but not limited to, customers of the Company on whom I called
or with whom I became acquainted during the Relationship) as well as
customers’ point of contact information, borrowing practices[,]
purchasing habits, service requirements, prices and costs; or other
business information disclosed to me by the Company either directly or
indirectly in writing or orally or by observation of documentation, data,

1 parts or equipment or created by me during the period of the Relationship,
 2 whether or not during working hours. . . . [Further,] “Confidential
 3 Information” includes, but is not limited to, information pertaining to any
 4 aspects of the Company’s business which is either information not known
 by actual or potential competitors of the Company or is proprietary or
 trade secret information of the Company or its customers or suppliers,
 whether of a technical nature or otherwise.

5 275. Sabow’s Agreement contains his obligation to assign any rights to “Works,” and
 6 “concepts, know-how, improvements or trade secrets” to the Company so that it is clear that the
 7 Company owns these rights – and not Sabow. Specifically, the Agreement provides in paragraphs
 8 4(b) and 4(c) as follows:

9 4(b) Assignment of Works. I agree that I will promptly make foil
 10 written disclosure to the Company, will hold in trust for the sole right
 and benefit of the Company, and hereby assign to the Company, or its
 11 designee, all my right, title and interest throughout the world in and to
 any and ah inventions, original works of authorship, developments,
 12 concepts, know-how, improvements or trade secrets which I may solely
 or jointly conceive or develop of reduce to practice, or cause to be
 13 conceived of developed or reduced to practice, during the period of time
 in which I am employed by the Company (collectively referred to as
 14 “Works”) related to the Company’s business Or which relate to any
 actual or anticipated research or development which results from any
 15 work that I perform for the Company, of any inventions, original works
 of authorship, developments, concepts, know-how, improvements or
 16 trade secrets which involves, in any way, the use of the Company’s
 equipment, supplies, facilities, trade secrets, or confidential information..
 17 I further acknowledge that all inventions, original works of authorship,
 developments, concepts, know-how,-improvements Or trade secrets
 18 which are made by me (solely or jointly with others) within the scope of
 and during the period of my Relationship with the Company are “Works
 19 made for hire” (to the greatest extent permitted by applicable law) and
 are compensated by my salary, unless regulated otherwise by the
 20 mandatory law of the state of California or the State in which I perform
 the majority of my service for the Company. I agree to execute all
 21 documents necessary to the perfection of the assignment or for the
 perfection and/or protection of the Company’s interest or rights in such
 22 intangible assets.

23 4(c) Consistent with subsection 4(b) above, this Agreement does not
 24 require assignment of any inventions which fully qualifies for protection
 under Section 2870 Of the California Labor Code which provides as
 25 follows: Any provision in an employment agreement which provides that
 an employee shall assign or offer to assign any of his or her rights in any
 26 invention to his or her employer Shall not apply to an invention for
 which no equipment, supplies, facilities or trade secret information of the
 27 employer was used and (a) which does not relate (1) to the business of the
 employer or (2) to the employer’s actual of demonstrably anticipated
 28 research or development, or (b) which does not result from any work

1 performed by the employee for the employer. Any provision, which
2 purports to apply to such an invention, is to that extent against public
policy of this state and is to that extent void and unenforceable.

3
4 276. Sabow's Agreement also contains his commitment to return all of the Company's
5 property and documents upon the termination of his employment with the Company. Specifically,
6 the Agreement provides in paragraph 5 as follows:

7 I agree that, at the time of termination of my Relationship with the
8 Company, I will immediately, without delay, deliver to the Company (and
9 will not keep in my possession, recreate or deliver to anyone else) any and
10 all Company property and documents obtained or provided to me during
11 the Relationship. Such Company property and documents, includes, but is
12 not limited to: records, data, notes, reports, proposals, plans, lists,
13 forecasts, formulas, projections, bids, financial data, promotional or
14 marketing materials, client related information or correspondence,
15 customer lists, correspondence, tools, equipment, devices, specifications,
16 programs, plans, proposals, ideas, drawings, blueprints, sketches,
17 laboratory notebooks, materials, flow charts, confidential information as
18 defined above in paragraphs 3(a) and 3(c), and any other documents or
19 property as well as any copies, reproductions or electronic storage files
20 containing any of the aforementioned items including but not limited to
21 any files downloaded to cellular phone, computers or other electronic
22 devices, or forwarded to third parties or other electronic data storage
23 depositories.

24
25 277. Sabow's Agreement also contains his acknowledgement that his "knowledge of
26 the Company's employees' and consultants' skills, knowledge, relationships and abilities itself
27 constitutes the Company's trade secret information." *Id.* at ¶ 8. Accordingly, he promised in
28 paragraph 8 that during his employment and for a period of six months thereafter, he would not
solicit, induce, recruit or encourage the Company's employees or consultants to terminate their
relationship with the Company. Specifically, paragraph 8 of the Agreement states:

I agree that during the term of my Relationship with the Company, and
for a period of six (6) months immediately following the termination of
my Relationship with the Company for any reason, whether with or
without cause, I shall not either directly or indirectly solicit, induce,
recruit or encourage any of the Company's employees or consultants to
terminate their relationship with the Company, or take away such
employees or consultants, or attempt to solicit, induce, recruit, encourage
or take away employees or consultants of the Company, either for myself
or for any other person or entity without first notifying and obtaining the
express written approval of the Company's President and CEO.

1 278. Sabow's Agreement also contains his promise not to compete unfairly with the
2 Company either during or after his employment. To this end, paragraph 9 states:

3 I agree that for any period during which I am employed by the Company,
4 I will not participate in selling product lines that compete with the
5 Company to existing Company customers or identified prospects. I
6 further agree that, after my employment with the Company ends, that I
7 shall not participate in selling product lines that compete with the
8 Company to existing Company customers or its identified prospects if
9 such conduct would require or in any way cause the disclosure, use or
10 exploitation of any of the Company's trade secrets or confidential
11 information (as defined by the Uniform Trade Secrets Act) or if trade
12 secrets or confidential information obtained during my employment at
13 the Company would give a competitive advantage over the Company. I
14 agree that these limitations are necessary and reasonably calculated to
15 protect the Company's trade secrets and confidential information. There
16 shall be no exceptions to these limitations on competition unless I obtain
17 express written approval for any exception from the Company's
18 President and CEO. Except for these reasonable limitations, I am free to
19 obtain employment with other companies in the financial services
20 industry. Accordingly, I understand this provision shall not be construed
21 to prevent me from being gainfully employed in the financial services
22 industry by a competitor of the Company.

23 279. Just like Sabow, Defendants Patel, Stepanis, Longo, and Hanlon signed
24 Confidentiality Agreements with the Company. True and correct copies of their Agreements are
25 filed with this Court as ECF Nos. 1-9 through 1-12 and incorporated by reference as if set forth in
26 full herein. Although the verbiage of Patel's, Stepanis', Longo's, and Hanlon's Agreements
27 differs slightly from Sabow's Agreement, the substance is the same. Like Sabow, Patel, Stepanis,
28 Longo, and Hanlon agreed that: (a) they will not use or disclose the Company's Confidential
Information except on behalf of the Company; (b) they will return the Company's property and
documents upon the termination of their employment; (c) "Works for Hire" belong to the
Company; (d) during their employment and for a period of at least six months thereafter, they
would not solicit, induce, recruit or encourage the Company's employees or consultants to
terminate their relationship with the Company; and (e) they will not compete unfairly with the
Company. See ECF No. 1-9 ¶¶ 3, 4, 5, 8 and 9; ECF Nos. 1-10 and 1-11 ¶¶ 3, 4, 5, 7, and 8; ECF
No. 1-12 ¶¶ 3, 4, 5, 8 and 9.

29 280. By and through their conduct described above, Sabow, Patel, Stepanis, Longo, and
30 Hanlon breached the provisions of their Agreements referenced above.

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- At the beginning of my employment, I will review additional [First Citizens] policies and standards applicable to my role, including but not limited to, [First Citizens’] Human Resources policies and standards.

289. The Code of Ethics to which the New Hire Acknowledgement agreements refer states in part as follows:

You must comply with all laws and regulations applicable to your role at First Citizens and avoid even the slightest appearance or suspicion of wrongdoing, conflict of interest or other improper conduct.

* * *

You must promptly report: (i) Any act or omission you know or suspect to be illegal, dishonest, fraudulent, or unethical that may affect or involve First Citizens; (ii) Any act or omission you suspect to be a violation of the Code of Ethics or First Citizens’ policies, standards, or procedures to which you are subject;

* * *

1. Comply with All Laws, Regulations, and First Citizens’ Policies, Standards and Procedures

1.1 In General

You are responsible for understanding and obeying all laws, regulations, policies, standards, and procedures to which you are subject and that govern your actions within and for First Citizens. Strict attention to and compliance with federal and state laws and regulations applicable to the financial services business as well as ethical business conduct rules and regulations, such as the Federal Bank Secrecy Act, are REQUIRED to protect you and First Citizens.

* * *

1.4 First Citizens’ Policies, Standards and Procedures

You are responsible for understanding and following all First Citizens’ policies, standards, and procedures to which you are subject....

2. Maintain Integrity

2.1 In General

As used in this Code, “integrity” means possessing and steadfastly adhering to principles of honesty, reliability, courtesy, accuracy, confidentiality, and trustworthiness. Associates are expected to act with integrity in all matters and protect and maintain the first citizens integrity and reputation at all times.

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2.2 Confidentiality and Privacy of Information...

You **must not access, disclose, or use** non-public information concerning First Citizens, its customers, suppliers, vendors, or anyone doing business with First Citizens **unless there is a business need to do so and you have the appropriate authorization**. Your responsibilities regarding non-public information include, but are not limited to, the following:

- ...Use information only for its intended use in carrying out your duties as a First Citizens associate;
- **Do not send non-public information to your personal email address...**;
- Do not use information for unauthorized purposes, such as for your personal advantage or to provide advantage to others....

Safeguarding and protecting non-public information are continuing obligations, even after you are no longer employed by First Citizens. When you leave First Citizens’ employ, you must immediately do the following regarding non-public information:

- Return to First Citizens all records or files in any format, whether written, printed, or electronic (including all originals and any copies or other reproductions), and all lists, summaries, compilations, extracts, or other representations of information, in your possession or control;
- Permanently delete any information electronically stored on any personal devices; and
- Not use information for your own personal benefit or for the benefit of any third party.

* * *

3.0 Avoid Conflicts of Interest

3.1 In General

As used in this Code, a conflict of interest means a situation or activity that could compromise, or appear to compromise, your judgment, objectivity, or effectiveness in the performance of your duties with First Citizens.

Conflicts of interest, whether real or perceived, can undermine the trust and confidence of our customers, vendors and suppliers, the public, and our fellow associates. Whether or not a conflict of interest exists or will exist can be unclear. You must avoid any activity or situation that involves, or appears to involve, a conflict of interest....

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A conflict of interest may also arise when your personal activities and relationships with immediate family members, friends, coworkers, etc. interfere, or appear to interfere, with your ability to act in the best interest of First Citizens.

3.2 Using Position for Personal Gain

You must manage your personal and business affairs to avoid situations that cause, or appear to cause, a conflict of interest between your self-interest and your duty to First Citizens. . .

Self-dealing means using your employment or position for personal gain, to advance personal interests, or to obtain favors or unauthorized benefits for yourself or any other person . . .

3.3 Activities Detrimental to the First Citizens’ Business

You must avoid in engaging in activities that place you in competition with or which are otherwise detrimental (directly or indirectly) to First Citizens’ business. Examples of activities that are considered inappropriate include, but are not limited to, the following:

* * *

- Diverting business or personnel away from First Citizens[.]

(All emphases in original). A true and correct copy of the Code of Ethics is filed with this Court as ECF No. 1-22 and incorporated as if set forth in full herein.

290. The Acceptable Use Standards state in part as follows:

2. Overview

The Acceptable Use Standards (Standards) define specific requirements that must be followed when using First Citizens BancShares Inc. and subsidiaries including First-Citizens Bank & Trust Company, (FCB or Bank) technology and information resources (assets) to protect FCB from illegal or damaging actions, either knowingly or unknowingly, that could affect the confidentiality, integrity, and availability of information created, collected, and maintained.

Access to and use of assets is a privilege granted to Associates and Non-Employee Workers as defined in the Human Resources Policies & Standards Manual (collectively, Users). All Users are expected to use FCB assets in a responsible and ethical manner for their intended business purpose in serving the interests of FCB and of FCB’s clients and

1 customers. Effective security is a team effort involving the participation
2 and support of every User who deals with FCB information and/or
information systems.

3 The purpose of this Standards is to define the acceptable use of FCB's
4 assets by Users. Inappropriate use exposes FCB to risk including virus
5 attacks, compromises of the network systems and services, violation of
license and contractual agreements, and legal and regulatory requirements.

6 **3. Scope**

7 All assets that process, store, receive, transmit or otherwise could impact
8 the confidentiality, integrity, and accessibility of FCB data and information
9 must meet the required security controls defined in these Standards that are
based on the National Institute of Standards and Technology (NIST) SP
10 800-53, Security and Privacy Controls.

11 These Standards apply to all business units, departments, and functions
within FCB, as well as Users that access, process, store, and/or transmit
12 FCB data and information.

13 **4. General Requirements – Acceptable Use of Information Assets**

14 **4.1 Intended Business Purpose**

15 Except as permitted in these Standards or under applicable law, FCB
16 owned and managed technology resources and information assets must be
used only for the intended business purpose.

17 * * *

18 **4.6 Return FCB Assets**

19 Users must return FCB owned hardware, software, and Restricted Data (as
20 defined in the Data Classification & Handling Standards) to FCB upon
request or termination of access.

21 * * *

22 **8. Acceptable Use of Company Information**

23 **8.1 Business Need**

24 Users must not attempt to access any Restricted data (as defined in the Data
25 Classification and Handling Standards) without a direct business need and
26 authorization to do so.

27 **8.2 Disclosure**

28

1 Restricted data may be used only for legitimate FCB business purposes and
2 may not be used or disclosed by any User for any personal purpose as per
3 the Data Classification and Handling Standard.

4 8.3 Processing and Storage

5 FCB data that is classified as Restricted or Business Use Only may only be
6 processed or stored on technology resources owned, leased, contracted, or
7 approved by FCB. Any other use of technology resources or service
8 providers to process or store Restricted or Business Use Only data is
9 prohibited.

10 * * *

- 11 • FCB managed data loss prevention controls
- 12 • FCB approved vendor provided data loss prevention controls
- 13 • Other solutions as approved by Information Security

14 * * *

15 8.7 Mobile Devices

16 Mobile devices must not store, transmit, or receive Restricted FCB
17 information without FCB approved protection mechanisms (such as the
18 secure messaging service, whole-disk encryption, or Virtual Private
19 Network (VPN)).

20 * * *

21 **13. Acceptable Use of Email and Messaging Platforms**

22 13.1 Business Use

23 Email and instant messaging must only be used for business related
24 communications and must not be used for personal use, except as permitted
25 by these Standards or applicable law.

26 13.2 Unlawful Messages

27 Email and instant messaging systems must not be used to send fraudulent,
28 harassing, obscene, threatening, or other unlawful messages.

13.3 Approved Messaging Systems

Users must not send business related email or electronic messages
containing Restricted data to Users, clients, customers, and business
partners through any means other than FCB's approved email and
messaging systems. Use of external / public email and instant messaging

1 systems (e.g., Hotmail, Gmail, AOL, AIM, MSN Messenger) for sending
2 business related information is prohibited.

3 * * *

4 13.4.4 Secure Messages in Accordance with Data Classification

5 Email containing Restricted information must be sent securely using
6 established FCB procedures and must not be sent without an acceptable
7 business need and justification.

8 13.4.5 Personal Email Addresses

9 Email containing business related Restricted data must not be sent to a
10 User's personal email address or any other User's personal email address,
11 except when sending communications related to a customer's business to
12 the customer's email address, provided that FCB approved security
13 standards to protect the customer's Restricted information are allowed.

14 13.5 Messaging Platforms

15 13.5.1 Non-Approved Platforms

16 Users must not copy or download FCB data from any FCB approved
17 instant message platform and share on non-approved platforms.

18 * * *

19 13.5.4 Text Messages Including Restricted Data

20 Users are prohibited from sending or receiving text messages that contain
21 Restricted data as defined in the Data Classification and Handling
22 Standards.

23 13.5.5 Approved Messaging Platforms

24 Only FCB approved messaging platforms (e.g., MS Teams) may be used
25 for making material business decisions or other business communications.

26 (All emphases in original). A true and correct copy of the Acceptable Use Standards is filed with
27 this Court as ECF No. 1-23 and incorporated as if set forth in full herein.

28 291. The Data Classification and Handling Standards define "Restricted Data" to
include information that is intended only for First Citizens and that relates to key financial,
strategic, R&D, legal, or other critical aspects of First Citizens' operations. Examples of
Restricted Data include information that provides a competitive advantage such as details of

1 business and marketing strategies and pricing of services and any financial data that is held in
2 confidence by First Citizens. A true and correct copy of the Data Classification and Handling
3 Standards is filed with this Court as ECF No. 1-24 and incorporated as if set forth in full herein.

4 292. By and through their conduct described above, Stepanis, Patel, Kidder, Longo,
5 Hanlon, and Andersen breached their New Hire Acknowledgement agreements.

6 293. The Company has performed, or substantially performed, all of its obligations
7 under the New Hire Acknowledgement agreements and met and satisfied all conditions precedent.

8 294. The New Hire Acknowledgement agreements with Stepanis, Patel, Kidder, Longo,
9 Hanlon, and Andersen are valid and enforceable.

10 295. The New Hire Acknowledgement agreements were supported by adequate
11 consideration including initial employment with SVB and continued employment with First
12 Citizens, access to confidential and trade secret information, compensation, benefits and more.

13 296. First Citizens has been damaged by these breaches in an amount to be determined
14 at trial.

15 C. THIRD CAUSE OF ACTION

16 *(Breach of Duty of Loyalty Against Stepanis, 17 Patel, Kidder, Longo, Hanlon, and Andersen)*

18 297. First Citizens repeats, realleges, and incorporates paragraphs 1 through 260 as if
19 set forth in full herein.

20 298. As employees of First Citizens, the Individual Defendants owed First Citizens an
21 undivided duty of loyalty and care to act in the utmost good faith, with undivided interests and
22 with faithful service, and to place First Citizens' interests ahead of their own and not to act for
23 persons or entities whose interests would conflict with those of First Citizens. This duty of loyalty
24 included an obligation to take no actions inimical to the best interests of First Citizens. It also
25 included an obligation to warn First Citizens of imminent threats, particularly those that were
26 being planned and orchestrated by the Defendants. It also included an obligation to refrain from
27 competing with First Citizens during employment, and to refrain from taking actions on behalf of
28 or otherwise assisting a competitor of First Citizens.

1 failure. The email expressed concern about a potentially escalating “run on the bank’s talent” and
2 noted that “[e]ach departure adds to the snowball of the momentum towards leaving.” It
3 specifically named two competitors (neither of which were HSBC) who were rumored to be
4 looking to hire First Citizens’ former SVB employees. Kidder remained silent. He did not
5 respond or tell anyone that he and the other Defendants were plotting a raid of First Citizens’
6 workforce.

7 305. The email to Kidder also stated that “There is confidence around [the bank’s Chief
8 Banking Officer] and the idea of bringing back Sabow.” Kidder did not correct this
9 misimpression. He did not respond or tell anyone that the Defendants were plotting a raid of First
10 Citizens’ workforce.

11 306. Patel and Kidder were present on a call that Michael Roberts held with First
12 Citizens employees on Saturday, April 8, 2023. Also present on that call were employees
13 supervised by Patel and Kidder. As First Citizens expects to establish upon further investigation
14 and discovery, in the days prior to the call, Patel and Kidder contacted employees and asked and
15 arranged for them to participate in this call, putting their interests and the interest of HSBC Bank
16 USA ahead of First Citizens. During that call, Patel and Kidder, in concert with Michael Roberts,
17 urged the employees to resign *en masse* from First Citizens and to join HSBC Bank USA. Patel
18 and Kidder did not inform First Citizens that they and Roberts were targeting these employees for
19 a mass departure.

20 *Stepanis and Andersen*

21 307. Sabow recruited Stepanis and Andersen to join the effort to gather other First
22 Citizens employees for execution of Project Colony, culminating in their active participation in
23 another one of Michael Roberts’ April 8, 2023 calls to recruit other employees for the April 9,
24 2023 mass resignation.

25 308. As of March 23, 2023, Stepanis was “in” on the plot, according to Sabow’s
26 Tracking Spreadsheet. Stepanis remained “in” on the plot after she became a First Citizens
27 employee on March 27, 2023. Andersen agreed to participate in Project Colony after March 23,
28 2023, and before April 8, 2023.

1 new business. As First Citizens expects to establish upon further investigation and discovery,
2 Sabow was asking Hanlon to perform work for a competitor while she was still an employee of
3 First Citizens, and Hanlon did the work while she was still an employee of First Citizens in
4 furtherance of the Project Colony scheme.

5 * * *

6 320. By and through this conduct, Patel, Kidder, Stepanis, Andersen, Longo, and
7 Hanlon breached their duty of loyalty to First Citizens.

8 321. First Citizens has been damaged by these breaches in an amount to be determined
9 at trial.

10 **D. FOURTH CAUSE OF ACTION**

11 *(Aiding and Abetting Breach of Duty of Loyalty* 12 *Against the HSBC Entities and Sabow)*

13 322. First Citizens repeats, realleges, and incorporates paragraphs 1 through 260 as if
14 set forth in full herein.

15 323. Between March 27 and April 9, 2023, Sabow, HUSI and HSBC Bank USA
16 encouraged, facilitated, and directed the Individual Defendants to recruit specific First Citizens
17 employees to resign *en masse* and accept offers from HUSI and HSBC Bank USA. Sabow,
18 Roberts, Rius and other HSBC executives identified in the paragraphs above acted with the actual
19 or apparent authority of each of the HSBC Entity Defendants. The HSBC Entity Defendants, as
20 alleged above, collaborated in the recruitment efforts, onboarded the defecting employees, and
21 ultimately benefited and intended to benefit from the Project Colony mass recruitment scheme.

22 324. Sabow and the HSBC Entities knew that the Individual Defendants each had a
23 duty of loyalty to their employer, First Citizens. Sabow and the HSBC Entities were familiar with
24 standard industry practices, including contracts and agreements between bank employers and
25 employees prohibiting unfair competition generally and the specific types of conduct in which
26 Sabow and the HSBC Entities had engaged. Sabow had signed such contracts and agreements
27 himself and the HSBC Entities require their employees to sign such contracts.
28

1 325. By directing and facilitating these individuals to lift out the SVB “profitability
2 engine” that belonged to First Citizens through a sudden mass resignation, these Defendants knew
3 they were facilitating and directing conduct that constitutes a breach of their duty of loyalty to
4 First Citizens.

5 326. Sabow aided the Individual Defendants in breaching their duty of loyalty. As First
6 Citizens expects to establish upon further investigation and discovery, Sabow (a) secured
7 leadership positions and liability protections for the Individual Defendants in exchange for their
8 breach; (b) directed and advised them to recruit specified First Citizens employees to resign *en*
9 *masse* and accept offers of employment from HSBC, and (c) assisted and coordinated the Easter
10 weekend interviews, offers, and resignations. Through these incentives, guidance,
11 encouragement, and direct assistance, Sabow induced the Individual Defendants to breach their
12 duty of loyalty to facilitate the lift out and keep the scheme a secret from First Citizens.

13 327. In addition to Sabow, agents of the HSBC Entities, including Michael Roberts and
14 Mabel Rius, were heavily involved in soliciting, onboarding, and orchestrating the Individual
15 Defendants’ recruitment of First Citizens’ employees. Together with Sabow and the Individual
16 Defendants, Roberts, Rius, and others interviewed and extended offers to First Citizens
17 employees, then welcomed them aboard when they joined HUSI and HSBC Bank USA.

18 328. Through these executives, the HSBC Entities aided and encouraged the Individual
19 Defendants in breaching their duty of loyalty. HUSI and HSBC Bank USA (a) offered the
20 Individual Defendants leadership positions and liability protections in exchange for the breach;
21 (b) directed and advised them to recruit specified First Citizens employees to resign *en masse* and
22 accept offers of employment from HUSI and HSBC Bank USA; and (c) assisted and coordinated
23 the Easter weekend interviews, offers, and resignations. Through these incentives, guidance,
24 encouragement, and direct assistance, the HSBC Entities caused the Individual Defendants to
25 breach their duty of loyalty to facilitate the lift out and keep the scheme a secret from First
26 Citizens.

1 336. The HSBC Entities knew about the contracts signed by Sabow and the Individual
2 Defendants. Sabow knew about the contracts signed by the Individual Defendants.

3 337. The HSBC Entities instructed, aided and encouraged Sabow, Patel, Stepanis,
4 Longo, and Hanlon to engage in conduct that constituted a breach of their Confidentiality
5 Agreements by directing and facilitating these Individual Defendants to solicit, induce, and
6 encourage First Citizens employees to terminate their relationship with First Citizens and join
7 HSBC. Agents of the HSBC Entities, including Michael Roberts and Mabel Rius were heavily
8 involved in soliciting, onboarding, and orchestrating Sabow, Patel, Stepanis, Longo, and Hanlon's
9 recruitment of First Citizens' employees. Together with these individual defendants, Roberts and
10 Rius interviewed and extended offers to First Citizens employees, then welcomed them aboard
11 when they joined HUSI and HSBC Bank USA.

12 338. Through these executives, the HSBC Entities instructed, aided and encouraged
13 Sabow, Patel, Stepanis, Longo, and Hanlon to engage in conduct that constituted a breach their
14 Confidentiality Agreements with First Citizens. HUSI and HSBC Bank USA (a) offered Sabow,
15 Patel, Stepanis, Longo, and Hanlon leadership positions and liability protections in exchange for
16 the breach; (b) directed and advised them to recruit First Citizens employees to resign *en masse*
17 and accept offers of employment from HUSI and HSBC Bank USA; and (c) assisted and
18 coordinated the Easter weekend interviews, offers, and resignations. Through these incentives,
19 guidance, encouragement, and direct assistance, the HSBC Entities caused Sabow, Patel,
20 Stepanis, Longo, and Hanlon to breach their contractual obligations to First Citizens by
21 facilitating the lift out of First Citizens' employees in secret.

22 339. Sabow instructed, aided and encouraged Patel, Stepanis, Longo, and Hanlon to
23 engage in the conduct that constitutes a breach of their Confidentiality Agreements by directing
24 and facilitating these defendants to solicit, induce, and encourage First Citizens employees to
25 terminate their relationship with First Citizens and join HSBC. As First Citizens expects to
26 establish upon further investigation and discovery, Sabow (a) secured leadership positions and
27 liability protections in exchange for their breach; (b) directed and advised them to recruit
28 specified First Citizens employees to resign *en masse* and accept offers of employment from

1 HSBC, and (c) assisted and coordinated the Easter weekend interviews, offers, and resignations.
2 Through these incentives, guidance, encouragement, and direct assistance, Sabow induced Patel,
3 Stepanis, Longo, and Hanlon to breach contracts with First Citizens by facilitating the lift out,
4 keeping the scheme a secret from First Citizens, and unfairly competing with First Citizens during
5 their employment.

6 340. Sabow, Patel, Stepanis, Longo, and Hanlon did in fact breach their Confidentiality
7 Agreements.

8 341. Sabow also instructed, aided and encouraged the Individual Defendants to engage
9 in conduct that constituted a breach of their New Hire Acknowledgment agreements, including by
10 assisting and directing the Individual Defendants to solicit, induce, and encourage First Citizens
11 employees to terminate their relationship with First Citizens and join HSBC. As First Citizens
12 expects to establish upon further investigation and discovery, Sabow (a) secured leadership
13 positions and liability protections in exchange for their breach; (b) directed and advised them to
14 recruit specified First Citizens employees to resign *en masse* and accept offers of employment from
15 HSBC, and (c) assisted and coordinated the Easter weekend interviews, offers, and resignations.
16 Through these incentives, guidance, encouragement, and direct assistance, Sabow caused the
17 Individual Defendants to breach contracts with First Citizens by facilitating the employee lift out,
18 keeping the scheme a secret from First Citizens, and diverting business and personnel away from
19 First Citizens.

20 342. The HSBC Entities instructed, aided and encouraged the Individual Defendants to
21 engage in conduct that constituted a breach of their New Hire Acknowledgement agreements,
22 including by assisting and directing the Individual Defendants to solicit, induce, and encourage
23 First Citizens employees to terminate their relationship with First Citizens and join HSBC.
24 Agents of the HSBC Entities, including Michael Roberts and Mabel Rius were heavily involved
25 in orchestrating Sabow, Patel, Stepanis, Longo, and Hanlon's recruitment of First Citizens'
26 employees. Together with these Individual Defendants, Roberts and Rius interviewed and
27 extended offers to First Citizens employees, then welcomed them aboard when they joined HUSI
28 and HSBC Bank USA.

1 and collective economic benefit. As employees and agents of the HSBC Entities, acting with the
2 HSBC's actual or apparent authority, Sabow and other HSBC executives executed the Project
3 Colony plan to raid First Citizens' "profitability engine" for the HSBC Entities.

4 349. Defendants knew that First Citizens entered into a purchase and assumption
5 agreement with the FDIC for certain of the assets of the Bridge Bank.

6 350. Defendants knew that First Citizens stood to profit from the purchase. They
7 understood that as a result of the purchase, First Citizens would gain increased market share
8 through access to new customers and markets. They likewise understood that First Citizens would
9 profit through cross-selling opportunities, such as by gaining access to new products and services
10 arising from SVB's unique market. They also knew that First Citizens would profit by continuing
11 to employ key members of SVB's workforce.

12 351. By and through their breaches of duty of loyalty, the Individual Defendants
13 disrupted First Citizens' employment relationships with First Citizens' employees and disrupted
14 First Citizens' economic relationships with First Citizens' customers.

15 352. The foregoing conduct of Defendants was willful and malicious, was performed
16 with intent to injure First Citizens, and was without justification or privilege. The Defendants'
17 conduct was undertaken in furtherance of their own personal interest.

18 353. First Citizens has been damaged by Defendants' actions in an amount to be
19 determined at trial.

20 **G. SEVENTH CAUSE OF ACTION**

21 *(Unfair and Deceptive Trade Practices,* 22 *NCGS § 75-1.1 et seq. Against All Defendants)*

23 354. First Citizens repeats, realleges, and incorporates paragraphs 1 through 260 as if
24 set forth in full herein.

25 355. Defendants engaged in unfair and unethical competition by executing a mass
26 departure of First Citizens' key employees, inducing Individual Defendants' breach of their
27 agreements and duty of loyalty, and engaging in a coordinated action undertaken for the purpose
28

1 of gaining a competitive advantage over First Citizens and damaging its ability to maintain its
2 market share and customers.

3 356. Defendants engaged in unfair and deceptive competitive acts, which occurred prior
4 to and have continued after First Citizens' acquisition of SVB on March 27, 2023, including but
5 not limited to: (a) participating in a scheme to surreptitiously cause employee departures in the
6 form of mass resignations in such a manner that was unfair and calculated to, and did, handicap
7 and damage First Citizens due to its loss of forty-two employees in carefully identified business
8 units on Easter Sunday, while also giving the Defendants the significant benefit of lifting out a
9 readymade life sciences venture capital team in order to position HSBC as "an integrated partner
10 in the U.S. innovation ecosystem thereby obtaining a competitive advantage through unlawful
11 means; (b) deceiving First Citizens' representatives about Defendants' unfair competitive
12 endeavors; (c) concealing Defendants' unethical and unscrupulous conduct described above;
13 (d) fraudulently scheming to divert business opportunities away from First Citizens; (e) utilizing
14 First Citizens' employees to assist in unlawfully competing against First Citizens; (f) utilizing
15 First Citizens' resources to compete against First Citizens; (g) utilizing First Citizens' managerial
16 employees to solicit key employees while both the soliciting and solicited employees were still
17 employed by First Citizens; and (h) gaining an unfair competitive advantage through deceit, theft,
18 and other unlawful, unethical, and unscrupulous conduct constituting unfair and deceptive trade
19 practices in violation of NCGS § 75-1.1.

20 357. Defendants' unfair trade practices were in or affecting commerce within the
21 meaning of NCGS § 75-1.1.

22 358. Defendants' conduct as set forth herein is unethical, immoral, unscrupulous and
23 deceptive.

24 359. First Citizens has been damaged by Defendants' actions in an amount to be
25 determined at trial.

26 360. As a proximate result of Defendants' unfair and deceptive conduct, First Citizens
27 is entitled to all relief permitted under NCGS § 75-1.1 *et seq.*, including but not limited to treble
28 damages and attorney fees set forth in NCGS §§ 75-16 and 75-16.1.

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H. EIGHTH CAUSE OF ACTION
*(Violation of the Defend Trade Secrets Act,
18 U.S.C. § 1836 Against All Defendants)*

361. First Citizens repeats, realleges, and incorporates paragraphs 1 through 260 as if set forth in full herein.

362. The confidential and proprietary information described above constitutes First Citizens’ trade secrets.

363. This information is valuable because First Citizens, and SVB before it, invested great sums of money and years of effort to create the information, which is not generally known or readily accessible through proper means to others (such as the HSBC Entities), who can profit from its disclosure or use.

364. First Citizens, and SVB before it, took reasonable measures under the circumstances to maintain the secrecy of this information, including requiring passwords to be used to access Company computer systems and records, restricting access to business premises, and having employees such as the Individual Defendants sign contracts that expressly prohibit, among other things described above, the use, removal and disclosure of such information outside of the Company. This includes the Confidentiality Agreements and New Hire Acknowledgement agreements addressed above, and the written policies mentioned within the New Hire Acknowledgement agreements, with which employees are required to comply.

365. In addition, like First Citizens, SVB required the Individual Defendants and Sabow to sign and abide by various policies the content of which contain reasonable steps to maintain the secrecy of the information the Defendants misappropriated in this case. This includes a Code of Conduct Acknowledgment Form, which stated “I acknowledge and confirm that I have received, read, and understood the policy document listed below [i.e., the SVB Code of Conduct] and agree to comply with its requirements. True and correct copies of the Code of Conduct Acknowledgment Forms executed by the Individual Defendants and Sabow are filed with this Court as ECF Nos. 1-25 through 1-31 and incorporated as if set forth in full herein.

1 366. The SVB Code of Conduct states that it “applies to all employees and entities of
2 SVB Financial Group (SVBFG) and its subsidiaries” and that the employees “are required to
3 comply with the Code” and must “protect Company assets.” A true and correct copy of the SVB
4 Code of Conduct is filed with this Court as ECF No. 1-32 and incorporated as if set forth in full
5 herein.

6 367. The Code of Conduct requires employees, among other things, to report Code
7 violations or suspected violations, refrain from any actions that constitute or can be perceived as
8 constituting conflicts of interest, disclose conflicts of interest, to adhere to applicable policies
9 concerning the use of Confidential Information, and to refrain from using, disclosing, transmitting
10 or releasing any financial or other Confidential Information regarding SVB or any of its current or
11 prospective clients except when necessary for a required business purpose.

12 368. In addition, SVB required the Individual Defendants to sign an Employee
13 Handbook Acknowledgment Form for the SVB Employee Handbook – United States of America.
14 The Acknowledgement Form for the US Handbook stated “I acknowledge and confirm that I
15 have received, read, and understood the policy document listed below [i.e., the SVB Employee
16 Handbook – United States of America] and agree to comply with its requirements. True and
17 correct copies of the Employee Handbook Acknowledgement Forms executed by the Individual
18 Defendants are filed with this Court as ECF Nos. 1-33 through 1-38 and incorporated as if set
19 forth in full herein.

20 369. The SVB Employee Handbook states that employees must, among other things
21 avoid conflicts of interest; avoid actions that are dishonest, fraudulent or that jeopardize the
22 security of SVB’s operations, its employees or clients; limit transmission of Confidential
23 Information (even within SVB) to purposes that are necessary for a legitimate business purpose;
24 comply with the Code of Conduct; understand and comply with SVB’s applicable information
25 security policies; and return all property including Confidential Information in any form upon the
26 end of their employment.

27 370. The Bridge Bank adopted SVB’s Code of Conduct, policies, procedures, and
28 compliance regime.

1 371. Project Colony was based on and contained trade secret information belonging to
2 First Citizens. Project Colony was developed, revised, and implemented by Defendants, acting
3 individually and in concert with each other, after March 27, 2023, when First Citizens acquired
4 SVB from Bridge Bank. The trade secrets contained in Project Colony were possessed and used
5 by Defendants after March 27, 2023.

6 372. The Individual Defendants and Sabow misappropriated First Citizens' trade secrets
7 by disclosing them to the HSBC Entities as part of Project Colony despite knowing they had a
8 duty to maintain their secrecy. Each Individual Defendant (Hanlon, Kidder, Longo, Stepanis,
9 Andersen, and Patel) and Sabow received copies of and knew that Project Colony contained trade
10 secrets. Each Individual Defendant and Sabow possessed and used the trade secrets when
11 participating in and implementing Project Colony after March 27, 2023.

12 373. Each HSBC entity or their agents was provided with copies of the Project Colony
13 document. Each HSBC entity misappropriated First Citizens' trade secrets by acquiring them
14 through improper means including through breach or inducement of a breach of a duty to
15 maintain secrecy.

16 374. All Defendants misappropriated First Citizens' trade secrets by using them despite
17 knowing that they were acquired under circumstances giving rise to a duty to maintain their
18 secrecy.

19 375. First Citizens did not consent to the use and disclosure of its trade secrets, nor did
20 it consent to the acquisition of its trade secrets by the HSBC Entities.

21 376. First Citizens' trade secrets at issue in this case are related to products and services
22 that are placed in or are intended to be placed in, interstate or foreign commerce due to the fact
23 that SVB's products and services are used and sold across the United States and internationally.

24 377. Defendants expended great effort to conceal their misappropriation of First
25 Citizens' trade secrets including by expediting the use of trade secrets over the course of Easter
26 weekend so that First Citizens would be caught by surprise.

27 378. As First Citizens expects to establish upon further investigation and discovery,
28 Defendants intend to continue using First Citizens' trade secrets.

1 read, and understood the policy document listed below [i.e., the SVB Code of Conduct] and agree
2 to comply with its requirements. True and correct copies of the Code of Conduct
3 Acknowledgement Forms executed by the Individual Defendants and Sabow are filed with this
4 Court as ECF Nos. 1-25 through 1-31 and incorporated as if set forth in full herein.

5 386. The SVB Code of Conduct states that it “applies to all employees and entities of
6 SVB Financial Group (SVBFG) and its subsidiaries” and that the employees “are required to
7 comply with the Code” and must “protect Company assets.” A true and correct copy of the SVB
8 Code of Conduct is filed with this Court as ECF No. 1-32 and incorporated as if set forth in full
9 herein.

10 387. The Code of Conduct requires employees, among other things, to report Code
11 violations or suspected violations, refrain from any actions that constitute or can be perceived as
12 constituting conflicts of interest, disclose conflicts of interest, to adhere to applicable policies
13 concerning the use of Confidential Information, and to refrain from using, disclosing, transmitting
14 or releasing any financial or other Confidential Information regarding SVB or any of its current or
15 prospective clients except when necessary for a required business purpose.

16 388. In addition, SVB required the Individual Defendants to sign an Employee
17 Handbook Acknowledgment Form for the SVB Employee Handbook – United States of America.
18 The Acknowledgment Form for the US Handbook stated “I acknowledge and confirm that I
19 have received, read, and understood the policy document listed below [i.e., the SVB Employee
20 Handbook – United States of America] and agree to comply with its requirements. True and
21 correct copies of the Employee Handbook Acknowledgment Forms executed by the Individual
22 Defendants are filed with this Court as ECF Nos. 1-33 through 1-38 and incorporated as if set
23 forth in full herein.

24 389. The SVB Employee Handbook states that employees must, among other things
25 avoid conflicts of interest; avoid actions that are dishonest, fraudulent or that jeopardize the
26 security of SVB’s operations, its employees or clients; limit transmission of Confidential
27 Information (even within SVB) to purposes that are necessary for a legitimate business purpose;
28 comply with the Code of Conduct; understand and comply with SVB’s applicable information

1 security policies; and return all property including Confidential Information in any form upon the
2 end of their employment.

3 390. The Bridge Bank adopted SVB's Code of Conduct, policies, procedures, and
4 compliance regime.

5 391. Project Colony was based on and contained trade secret information belonging to
6 First Citizens. Project Colony was developed, revised, and implemented by Defendants, acting
7 individually and in concert with each other, after March 27, 2023, when First Citizens acquired
8 SVB from Bridge Bank. The trade secrets contained in Project Colony were possessed and used
9 by Defendants after March 27, 2023.

10 392. The Individual Defendants and Sabow misappropriated First Citizens' trade secrets
11 by disclosing them to the HSBC Entities as part of Project Colony despite knowing they had a
12 duty to maintain their secrecy. Each Individual Defendant (Hanlon, Kidder, Longo, Stepanis,
13 Andersen, and Patel) and Sabow received copies of and knew that Project Colony contained trade
14 secrets. Each Individual Defendant and Sabow possessed and used the trade secrets when
15 participating in and implementing Project Colony after March 27, 2023.

16 393. Each HSBC entity or their agents was provided with copies of the Project Colony
17 document. Each HSBC entity misappropriated First Citizens' trade secrets by acquiring them
18 through improper means including through breach or inducement of a breach of a duty to
19 maintain secrecy.

20 394. All Defendants misappropriated First Citizens' trade secrets by using them despite
21 knowing that they were acquired under circumstances giving rise to a duty to maintain their
22 secrecy.

23 395. First Citizens did not consent to the use and disclosure of its trade secrets, nor did
24 it consent to the acquisition of its trade secrets by the HSBC Entities.

25 396. First Citizens' trade secrets at issue in this case are related to products and services
26 that are placed in or are intended to be placed in, interstate or foreign commerce due to the fact
27 that SVB's products and services are used and sold across the United States and internationally.
28

1 did so with the knowledge, aid, agreement, and support of the other Defendants, causing actual
2 harm to First Citizens.

3 405. By virtue of the formation and operation of this conspiracy by Defendants, and as
4 a consequence of the above-described wrongful acts and conduct and the harm and injury caused
5 to First Citizens thereby, each Defendant as a participant in this conspiracy is liable as a joint
6 tortfeasor for each and every one of the above-described acts committed by each Defendant/co-
7 conspirator.

8 406. First Citizens has been damaged by Defendants' actions in an amount to be
9 determined at trial.

10 **VIII. PRAYER FOR RELIEF**

11 WHEREFORE, First Citizens demands judgment in its favor and jointly and severally
12 against Defendants on each and every count, together with the following relief:

- 13 A. An award of damages for such actual losses as may be proven at trial in an amount to
14 exceed \$1 billion; and/or
- 15 B. an award of damages for unjust enrichment caused by the Defendants' unauthorized
16 use or disclosure of confidential information and trade secrets belonging to First
17 Citizens which are not otherwise addressed in computing actual losses; and/or
- 18 C. in lieu of damages measured by other methods, an award of reasonable royalties for
19 the Defendants' unauthorized use or disclosure of First Citizens' confidential
20 information and trade secrets; and/or
- 21 D. an award of punitive and/or exemplary and/or treble damages as permitted by law in
22 an amount to be proved at trial; and/or
- 23 E. an award of attorneys' fees, costs, and interest as permitted by law; and/or
- 24 F. an award for prejudgment interest; and/or
- 25 G. such other and further relief as this Court deems just and equitable.
- 26
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1 **IX. JURY DEMAND**

2 Pursuant to Federal Rule of Civil Procedure 38(b), First Citizens hereby demands trial by
3 jury of all issues properly triable thereby.

4 Dated: February 7, 2024

5 By: /s/ Michael R. Greco

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26 By: /s/ John H. Hemann

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ATTESTATION

I, John H. Hemann, hereby attest, pursuant to N.D. Cal. Local Rule 5-1(i)(3), that concurrence to the filing of this document has been obtained from each signatory.

Dated: February 7, 2024

/s/ John H. Hemann
John H. Hemann

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Attorneys for Plaintiff
First-Citizens Bank & Trust Company

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

FIRST-CITIZENS BANK & TRUST COMPANY,
a North Carolina Corporation,

Plaintiff,

vs.

HSBC HOLDINGS plc a/k/a THE HSBC GROUP
a/k/a HONGKONG AND SHANGHAI BANKING
CORPORATION, an English Corporation; HSBC
USA Inc., a Delaware Corporation; HSBC BANK
USA, N.A., a Delaware Corporation; HSBC UK
BANK plc., an English and Welsh Corporation;
SILICON VALLEY BANK UK LIMITED n/k/a
HSBC INNOVATION BANK LIMITED, an
English and Welsh Corporation; DAVID
SABOW, an individual; SUNITA PATEL, an
individual; MELISSA STEPANIS, an individual;
PETER KIDDER, an individual; KEVIN LONGO,
an individual; REBEKAH HANLON, an
individual; and KATHERINE ANDERSEN, an
individual,

Defendants.

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Case No. 3:23-cv-02483-LB

PLAINTIFF FIRST-CITIZENS
BANK & TRUST COMPANY'S
FIRST AMENDED COMPLAINT

JURY TRIAL DEMANDED

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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

~~FIRST CITIZENS BANK & TRUST~~)
~~COMPANY, a Delaware Corporation,~~)
) **PLAINTIFF FIRST CITIZENS-**
) **BANK & TRUST COMPANY'S**
) **COMPLAINT**
)

~~vs.~~..... INTRODUCTION

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DEMAND FOR JURY TRIAL

~~HSBC HOLDINGS plc a/k/a THE HSBC GROUP~~)
~~a/k/a HONGKONG AND SHANGHAI BANKING~~)
~~CORPORATION, an English Corporation; HSBC~~)
~~USA Inc., a Delaware Corporation; HSBC BANK~~)
~~USA, N.A., a Delaware Corporation; HSBC UK~~)

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<u>14</u>	PETER KIDDER, an individual; KEVIN LONGO,)	
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~~Defendants IX.~~

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3 For its Complaint, Plaintiff, First-Citizens Bank & Trust Company (“First Citizens”),
4 states as follows against Defendants, HSBC Holdings plc a/k/a The HSBC Group a/k/a
5 Hongkong and Shanghai Banking Corporation (“HSBC Holdings”), HSBC USA Inc. (“HUSI”),
6 HSBC Bank USA, N.A. (“HSBC Bank USA”), HSBC UK Bank plc (“HSBC UK”), Silicon
7 Valley Bank UK Limited n/k/a HSBC Innovation Bank Limited (“SVB UK”) (the entity
8 defendants are sometimes collectively referred to herein as the “HSBC”); ~~David Sabow,~~
9 Entities”); Sunita Patel (“Patel”), Melissa Stepanis (“Stepanis”), Peter Kidder (“Kidder”), Kevin
10 Longo (“Longo”), Rebekah Hanlon (“Hanlon”), and Katherine Andersen (~~the individual~~
11 ~~defendants are~~ “Andersen”) (collectively ~~referred to herein as the~~ “Individual Defendants”); and
12 David Sabow (“Sabow”) (all defendants collectively, “Defendants”):

13 I. INTRODUCTION

14 On March 27, 2023, First Citizens acquired certain assets and liabilities of Silicon Valley
15 Bank (“SVB”), which had failed two weeks before. Unbeknownst to First Citizens, Defendants
16 were already weeks into executing a scheme to plunder ~~what they believed to be~~ the “core of
17 [SVB’s] profitability engine.” and create a business that, once lifted out, would be able to
18 immediately and effectively compete against First Citizens, without investing the time or
19 resources necessary to start and grow a new business. Defendants brazenly took and misused
20 SVB’s confidential, proprietary and trade secret information to execute their scheme. Indeed,
21 Defendant David Sabow, the chief architect of this scheme, acted as if SVB’s “profitability
22 engine”—and the proprietary information about it—was his for the taking. He was wrong.

23 Just two weeks after First Citizens acquired certain assets and liabilities of SVB,
24 Defendants executed the first “wave” of their scheme, raiding forty-two First Citizens employees
25 over the Easter holiday weekend, coordinating mass resignations at around 9:00 p.m. on Easter
26 Sunday, April 9, 2023 without notice. Over the course of about thirty minutes, these employees
27 resigned *en masse* by ~~e-mail~~ email, effective immediately. Led to HSBC Bank USA by Sabow,
28 who had promised them great fortune for their defection, ~~HSBC onboarded~~ all forty-two

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3 ~~employees~~were onboarded without delay.

4 Defendants' theft and misuse of confidential, proprietary and trade secret information,
5 deliberate disruption of First Citizens' business operations, unfair competition, and other
6 unlawful conduct ~~are reprehensible and~~ demand a substantial award of compensatory and punitive
7 damages in an amount to be proved at trial, in excess of \$1 billion.

8 **II. NATURE OF THE CASE**

9 1. When SVB collapsed on Friday, March 10, 2023, it sent shockwaves through the
10 worldwide economy and triggered immediate action from ~~government~~governmental regulators. -
11 ~~Within forty-eight hours,~~ The Federal Deposit Insurance Corporation ("FDIC") assumed control
12 of SVB and began looking for a healthy and stable bank to buy it.

13 2. A similar process played out across the Atlantic, where the Bank of England
14 exercised its supervisory powers to seize the assets of SVB's UK affiliate, SVB UK. While it
15 would take just over two weeks for SVB to find a new home in the United States with First
16 Citizens, SVB UK was acquired by Defendant HSBC UK on Monday, March 13, 2023, for a
17 nominal £1 (approximately \$1.21).

18 3. Immediately upon ~~information and belief, Sabow became an executive of HSBC~~
19 ~~within days of HSBC's~~the acquisition of SVB UK, Sabow became an HSBC executive. Sabow
20 had been a senior executive of SVB just months before. Together, the HSBC Entities and Sabow
21 immediately engineered a scheme to plunder what Sabow deemed the "core of [SVB's]
22 profitability engine." ~~Sabow metaphorically~~(The role of each of the HSBC Entities' involvement
23 in this scheme is set forth in more detail below.) Sabow called this scheme "Project Colony." As
24 a recent SVB senior executive, he was uniquely situated to lead the execution of this scheme. ~~In~~
25 ~~doing so, Sabow and,~~ which he memorialized in a written plan that he shared with the HSBC
26 Entities.

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A. Trade Secrets and Confidential Information

4. ~~the other Individual Defendants~~ One part of the scheme was to unlawfully ~~obtained~~
~~and then misappropriated (or conspired to obtain and misappropriate)~~ SVB’s and First Citizens’
confidential, proprietary and trade secret information. That information included:

- tables of data reflecting SVB’s U.S. Accelerator & Growth “win rate” and volumes against its core competitors;
- data and the underlying analysis supporting SVB’s market share within the particular U.S. market segments and borrower types;
- data regarding SVB’s Life Sciences & Technology market share percentages based on market capitalization and the total amounts that SVB’s Life Sciences & Technology team had in deposits and investments in clients with the amount of future commitments, broken down by types of financing arrangements SVB Life Sciences & Technology is to make and the expected Gross Profit growth, efficiency, and yields on ~~with~~ this SVB team’s investments and relationships;
- SVB’s practice overview notes, including the pace at which “right now” SVB’s Accelerator & Growth group adds clients, qualitative and quantitative numbers of clients, as well as an internal ranking of clients according to SVB’s valuation criteria;
- extensive compilations of information regarding SVB’s clients ~~including valuations and growth metrics~~ relevant to their needs for the services provided by SVB;
- information regarding SVB’s employee capacity, head count, and ability to attract and meet the needs of the particular customers targeted by SVB;
- information identifying the names, positions and salaries of dozens of former SVB employees that Sabow had identified as “key professionals,” as well as their locations, skillsets and performance/capability ratings, and the markets they covered;
- information regarding SVB’s loan portfolios with implied revenue and growth; and
- an analysis of SVB’s loans within its Accelerator & Growth Group.

~~4. Sabow’s scheme required HSBC “to move quickly” to hire “six identified core leaders in the U.S.,” along with an initial wave of an “additional 35 professionals already identified” who were also SVB employees. Sabow deemed these six core leaders the “Founders.” Upon information and belief, Defendants Patel, Stepanis, Kidder, Longo, Hanlon, and Andersen were chosen as the “Founders” because Sabow considered them to be the “key functional leaders” with~~

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2 “superb client and employee followership.” In fact, First Citizens likewise considered these
3 individuals to be “key functional leaders” and had anticipated them being members of First
4 Citizens’ transition team to lead post-acquisition activity for the combined SVB-First Citizens
5 team.—

6
7 ~~5. With HSBC’s blessing and encouragement, Sabow and HSBC promised the Founders~~
8 ~~leadership roles and fortune at HSBC—so long as they joined Sabow’s quest to “lift out” the~~
9 ~~additional thirty-five to forty employees from SVB’s “profitability engine.”~~

10
11 ~~6. Upon information and belief, HSBC leadership agreed to help orchestrate and to fund~~
12 ~~Project Colony by hiring the forty-two employees that Sabow had projected because Sabow told~~
13 ~~HSBC that it stood to profit well over \$1 billion from this plan within the next five years.~~

14 5. ~~7.~~ Sabow’s written financial projections in Project Colony were based on, and
15 incorporated, SVB’s and First Citizens’ confidential, proprietary and trade secret information.—
16 ~~And this went well beyond his own knowledge, which he was contractually and by common law~~
17 ~~bound to keep confidential.~~

18 6. ~~8. Indeed,~~ When Sabow needed additional proprietary information ~~of SVB’s~~ to fill
19 in parts of “Project Colony,” he got it from ~~some of~~ the individually named Defendants as well as
20 other, unsuspecting SVB/First Citizens employees in the United States—sometimes telling them
21 (falsely) it was okay because he was coming back to SVB in the U.S. In one instance, after an
22 employee asked Sabow whether he still worked for SVB, Sabow directed the employee to send
23 the proprietary information he sought to Defendant Patel. ~~Patel obtained that~~ Upon receiving the
24 proprietary information and, Patel provided it to Sabow to help develop Project Colony.

25 7. Like the written financial projections for Project Colony, Sabow and others
26 formulated employment and compensation offers for future employees using SVB’s and First
27 Citizens’ confidential information.

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3 8. ~~9.~~ By improperly obtaining and misusing SVB’s and First Citizens’ confidential
4 and proprietary information, the HSBC Entities and Sabow short-circuited the normally
5 expensive and lengthy process to do things such as conduct market research and develop
6 competent financial projections necessary for launching a commercial banking business of the
7 nature contemplated by Project Colony. Instead, in a matter of a few weeks, ~~HSBC and the~~
8 ~~Individual~~ Defendants were able to develop and execute Project Colony. In Sabow’s own words,
9 Project Colony was about “recreating a better version of the prior dominant platform” at SVB.

10 B. “Lifting Out” Key Employees

11 9. Another part of the scheme required the HSBC Entities “to move quickly” to hire
12 “six identified core leaders in the U.S.,” along with an initial wave of an “additional 35
13 professionals already identified” who were also First Citizens employees. Sabow referred to these
14 six core leaders interchangeably as the “Founders” or the “Pillars.” Individual Defendants Patel,
15 Stepanis, Kidder, Longo, Hanlon, and Andersen were chosen as the “Pillars” because Sabow
16 considered them to be “key functional leaders” with “superb client and employee followership.”
17 In fact, First Citizens likewise considered these individuals to be “key functional leaders” and had
18 anticipated them continuing as members of First Citizens’ transition team to lead post-acquisition
19 activity for the combined SVB-First Citizens team.

20 10. With the direction, approval, aid and encouragement of all of the HSBC Entities,
21 Sabow and HSBC Bank USA promised the Pillars leadership roles and substantial
22 compensation—so long as they joined Sabow’s quest to “lift out” the additional thirty-five-plus
23 employees from SVB’s “profitability engine.”

24 11. The leadership of each of the HSBC Entities agreed to help orchestrate and fund
25 Project Colony, which contemplated HSBC Bank USA hiring the forty-two employees that
26 Sabow had selected because Sabow told the leadership of each of the HSBC Entities that HSBC
27 as an institution stood to profit well over \$1 billion from this plan within the next five years.

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3 12. ~~10.~~ While formulating Project Colony, Sabow ~~noted~~planned that “if a no name
4 regional bank acquires the team and assets, I am going to build something to put them out of
5 business, because our team members and the market deserves better.” (Emphasis added). Sabow
6 also asked some of the ~~other~~ Individual Defendants to plan for “what parts of SVB” they would
7 want to “retain” and to dream about what they could do with those assets. Sabow ambitiously
8 viewed the SVB team as his own, and it did not matter to him that “the team and assets” were not
9 his to sell.

10 13. ~~11.~~ After Sabow and the HSBC Entities financially incited the
11 “~~Founders,~~”Pillars, each “~~Founder,~~”Pillar was tasked with recruiting their “key professional”
12 subordinates while still employed by First Citizens. Undeterred by ~~their fiduciary~~the duties of
13 loyalty they owed to First Citizens and, for some of them, their contractual obligations not to
14 solicit fellow employees, the ~~Founders~~Pillars conspired with ~~Sabow~~the other Defendants to
15 execute Project Colony. Never once did ~~they~~the Pillars communicate to First Citizens’ leaders
16 that the business was under attack from within, or do anything to stop it.

17 C. Execution of the Scheme

18 14. ~~12.~~ Over the Easter holiday weekend, HUSI, HSBC Bank USA, Sabow, and the
19 six ~~Founders~~Pillars (who were at that time employees of First Citizens) orchestrated a massive
20 lift-out by interviewing and extending high-pressure offers to select First Citizens employees,
21 arranging virtual meetings and direct communications with one or more HUSI and HSBC Bank
22 USA senior executives, preparing and coordinating *en masse* resignations, and ensuring
23 immediate onboarding ~~with HSBC. Like Sabow’s written financial projections for Project~~
24 ~~Colony, the employment and compensation offers were formulated using SVB’s confidential~~
25 ~~information.~~

26 15. ~~13.~~ Around nine o’clock on Easter Sunday evening, April 9, 2023, more than forty
27 First Citizens employees, including the six ~~Founders~~Pillars, began submitting their resignations
28 via ~~e-mail~~email, effective immediately. Within approximately thirty minutes, they had all

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3 resigned without any prior notice to First Citizens. ~~Some of these employees took with them~~
4 ~~additional confidential and proprietary information belonging to First Citizens and valuable client~~
5 ~~relationships.~~

6 16. ~~14.~~ If stable banks are to be incented to rescue failed banks to restore financial
7 stability, opportunistic competitors and insiders cannot take and replicate the bank’s assets—its
8 highly sensitive confidential, proprietary and trade secret information—before the resolution can
9 be implemented, like ~~HSBC and the Individual~~ Defendants did here. To permit otherwise not only
10 condones a breach of legal obligations but discourages stable banks from coming to the rescue
11 when other banks fail.

12 17. ~~15.~~ The “profitability engine” of SVB was ~~never Sabow’s to sell or take. Nor was~~
13 ~~it his~~ not Defendants’ to “colonize.” Rather, First Citizens properly acquired it through the process
14 established by the government to protect SVB’s customers and maintain the integrity of the
15 financial system. First Citizens did so with the reasonable expectation that the purchase would be
16 free from unlawful interference by third parties.

17 18. ~~16.~~ First Citizens remains the healthy and stable bank, it has been for 125 years.
18 But as with any other rescuer of a failed bank, First Citizens is entitled to protect its rights of
19 exclusive ownership of its property. Defendants have wrongfully interfered with those rights, and
20 First Citizens is entitled to compensation from them. First Citizens’ claims against Defendants
21 relate to Defendants’ theft and interference with the property rights that First Citizens acquired,
22 ~~the resulting~~ Defendants’ intentional disruption to First Citizens’ business operations, and the loss
23 of future profits and other damages.

24 **III. THE PARTIES**

25 19. ~~17.~~ Plaintiff ~~First Citizens Bank & Trust Company~~ First Citizens is a corporation
26 organized under the laws of the state of ~~Delaware~~ North Carolina, with its principal place of
27 business located at 4300 Six Forks Road, Raleigh, North Carolina 27609.

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3 20. ~~18.~~ Defendant HSBC Holdings ~~plc a/k/a The HSBC Group a/k/a Hongkong and~~
4 ~~Shanghai Banking Corporation~~ is a corporation organized under the laws of England, with its
5 headquarters located at 8 Canada Square, London E14 5HQ, United Kingdom. HSBC Holdings is
6 the ultimate corporate parent of each of the other entity defendants: HUSI, HSBC Bank USA,
7 HSBC UK, and SVB UK. HSBC Holdings undertook the unlawful conduct described below by
8 and through the actions of its employees and agents, including Noel Quinn (its CEO), Greg
9 Guyett (its CEO of Global Banking & Markets), Barry O’Byrne (its CEO of Global Commercial
10 Banking), Willard McLane (its Group Head of Strategy and Corporate Development), Sungmahn
11 Seo (its Managing Director of Commercial Banking), Mary MacLeod (its Global Head of
12 Strategy and Chief Commercial Officer, Global Banking and Markets), Michael Roberts (its
13 Group Managing Director and a member of its Executive Committee), Sabow, and each of the
14 Individual Defendants.

15 21. ~~19.~~ Defendant ~~HSBC USA Inc.~~ HUSI is a corporation organized under the laws of
16 the state of ~~Delaware~~ Maryland, with its headquarters located at 452 Fifth Avenue, New York,
17 New York 10018. HUSI and its employees offer a full range of traditional banking products and
18 services through its subsidiary HSBC Bank USA. HUSI undertook the unlawful conduct
19 described below by and through the actions of its employees and agents, including Michael
20 Roberts (its Chairman of the Board of Directors, President and Chief Executive Officer), Wyatt
21 Crowell (its Senior Executive Vice President, Head of Commercial Banking), Mabel Rius (its
22 Senior Executive Vice President and Head of Human Resources), Jennifer Capasso (its Head of
23 Embedded Banking & Platforms), Sabow, and each of the Individual Defendants.

24 22. ~~20.~~ Defendant HSBC Bank USA, ~~N.A.~~ is a corporation organized under the laws
25 of the state of Delaware, with its headquarters located at 452 Fifth Avenue, New York, New York
26 10018. HSBC Bank USA has offices, branches, and ATMs in, and regularly conducts business in,
27 California. HSBC Bank USA is HUSI’s principal subsidiary. HSBC Bank USA undertook the
28 unlawful conduct described below by and through the actions of its employees and agents,

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3 including Michael Roberts (its Chairman), Wyatt Crowell (its Senior Executive Vice President,
4 Head of Commercial Banking), Dianna Hollin (its Head of Executive Recruitment), Sabow, and
5 each of the Individual Defendants.

6 23. ~~21.~~ Defendant HSBC UK ~~Bank plc~~ is a corporation organized under the laws of
7 England and Wales, with its headquarters located at 1 Centenary Square, Birmingham, B1 1HQ,
8 United Kingdom. HSBC UK is the corporate parent of SVB UK, which it acquired on March 13,
9 2023. HSBC UK undertook the unlawful conduct described below by and through the actions of
10 its employees and agents, including Ian Stuart (its Chief Executive Officer), Stuart Tait (its Head
11 of Commercial Banking), Sabow, and each of the Individual Defendants.

12 24. ~~22.~~ Defendant ~~Silicon Valley Bank~~ SVB UK ~~Limited~~ is a corporation organized
13 under the laws of England and Wales, with its headquarters located at Alphabeta, 14-18 Finsbury
14 Square, London, EC2A 1BR, United Kingdom. SVB UK undertook the unlawful conduct
15 described below by and through the actions of its employees and agents, including Erin Platts (its
16 Chief Executive Officer), Paola Parsons (its Chief Human Resources Officer), Shweta Solanki
17 (its Chief of Staff), Sabow, and each of the Individual Defendants.

18 25. ~~23.~~ Defendant David Sabow is an individual who resides in Mill Valley,
19 California.

20 26. ~~24.~~ Defendant Sunita Patel is an individual who resides in Pleasanton, California.

21 27. ~~25.~~ Defendant Melissa Stepanis is an individual who resides in Westport,
22 Connecticut.

23 28. ~~26.~~ Defendant Peter Kidder is an individual who resides in Palo Alto, California.

24 29. ~~27.~~ Defendant Kevin Longo is an individual who resides in Southborough,
25 Massachusetts.

26 30. ~~28.~~ Defendant Rebekah Hanlon is an individual who resides in Alamo, California.

27 31. ~~29.~~ Defendant Katherine Andersen is an individual who resides in Winchester,
28 Massachusetts.

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3 **IV. JURISDICTION AND VENUE**

4 32. ~~30.~~ Subject matter jurisdiction exists in this civil action pursuant to 28 U.S.C.
5 § 1331 because First Citizens asserts federal claims under the Defend Trade Secrets Act
6 (“DTSA”), 18 U.S.C. § 1832 et seq. Among other things, ~~and the Computer Fraud and Abuse Act~~
7 ~~(“CFAA”);~~ DTSA “applies to conduct occurring outside the United States if . . . an act in
8 furtherance of the offense was made in the United States.” 18 U.S.C. § ~~1030~~1837. The Court also
9 has supplemental or pendent jurisdiction over First Citizens’ remaining claims pursuant to 29
10 U.S.C. § 1367 because they form part of the same case or controversy as the federal claims.

11 33. ~~31.~~ The Court has personal jurisdiction over Sabow because he is a citizen and
12 resident of the state of California. Moreover, at all relevant times, Sabow knew that First
13 Citizens’ business (like ~~SVB~~SVB’s before it) was substantially carried out in California and that
14 approximately twenty (if not more) of the First Citizens employees he raided live in California
15 and worked for SVB, Silicon Valley Bridge Bank, and later First Citizens in California. As
16 explained in greater detail below, Sabow repeatedly met with others or initiated contact with
17 others in California to carry out the raid. Many of Sabow’s wrongful acts complained of herein,
18 including acts in furtherance of the Defendants’ misappropriation of trade secrets, were carried
19 out by Sabow in California or by others in California at Sabow’s direction, including obtaining
20 and misappropriating confidential, proprietary and trade secret information and inducing breaches
21 of other legal obligations. Those intentional acts were aimed at parties and property primarily
22 located within the state of California. The harmful and intended effects of Sabow’s actions have
23 been felt, and will continue to be felt, by First Citizens in California. Sabow regularly and
24 frequently conducted business for SVB within the state of California including but not limited to
25 the time period 2019 through 2022 when he worked in California for SVB. ~~Upon information~~
26 ~~and belief, he~~Sabow continues to regularly conduct business in California on behalf of HUSI and
27 HSBC Bank USA, and in concert with SVB UK, HSBC UK, and HSBC Holdings.

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3 34. ~~32-~~The Court has personal jurisdiction over Patel because she is a citizen and
4 resident of the state of California. Moreover, at all relevant times, Patel knew that First Citizens’
5 business (like ~~SVB~~SVB’s before it) was substantially carried out in California and that
6 approximately twenty (if not more) of the First Citizens employees she raided live in California
7 and worked for SVB, Silicon Valley Bridge Bank, and later First Citizens in California. ~~Upon~~
8 ~~information and belief~~, Patel repeatedly met with others or initiated contact with others in
9 California to carry out the raid. Many of Patel’s wrongful acts complained of herein, including
10 acts in furtherance of the Defendants’ misappropriation of trade secrets, were carried out by Patel
11 in California or by others in California at Patel’s direction, including obtaining and
12 misappropriating confidential, proprietary and trade secret information. Those intentional acts
13 were aimed at parties and property primarily located within the state of California. The harmful
14 and intended effects of Patel’s actions have been felt, and will continue to be felt, by First
15 Citizens in California. Patel regularly and frequently conducted business for SVB within the state
16 of California including but not limited to the time period 2020 through 2023 when she worked in
17 California for SVB. ~~Upon information and belief, she~~Patel continues to regularly conduct
18 business in California on behalf of HUSI and HSBC Bank USA, and in concert with SVB UK,
19 HSBC UK, and HSBC Holdings.

20 35. ~~33-~~The Court has personal jurisdiction over Stepanis because, at all relevant
21 times, Stepanis knew that First Citizens’ business (like ~~SVB~~SVB’s before it) was substantially
22 carried out in California and that approximately twenty (if not more) of the First Citizens
23 employees she intended to raid live in California and worked for SVB, Silicon Valley Bridge
24 Bank, and later First Citizens in California. ~~Upon information and belief~~, Stepanis targeted and
25 solicited employees who lived and worked in California urging them to join HSBC. ~~Upon~~
26 ~~information and belief~~, Many of ~~Stepanis’s~~Stepanis’ wrongful acts complained of herein,
27 including acts in furtherance of the Defendants’ misappropriation of trade secrets, were carried
28 out by Stepanis in California or by others in California at ~~Stepanis’s~~Stepanis’ direction, including

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3 obtaining and misappropriating confidential, proprietary and trade secret information. Those
4 intentional acts were aimed at parties and property primarily located within the state of California.
5 The harmful and intended effects of ~~Stepanis's~~ Stepanis' actions have been felt, and will continue
6 to be felt, by First Citizens in California. Stepanis regularly and frequently visited California
7 throughout her work as an executive for SVB and conducted business for SVB within the state of
8 California. Numerous of the First Citizens employees that Stepanis recruited (as described below)
9 lived and worked for SVB and First Citizens in California at the time Stepanis worked to divert
10 them ~~to HSBC~~ from First Citizens.

11 36. ~~34.~~ The Court has personal jurisdiction over Kidder because he is a citizen and
12 resident of the state of California. Moreover, at all relevant times, Kidder knew that First
13 Citizens' business (like ~~SVB~~ SVB's before it) was substantially carried out in California and that
14 approximately twenty (if not more) of the First Citizens employees he raided live in California
15 and worked for SVB, Silicon Valley Bridge Bank, and later First Citizens in California. ~~Upon~~
16 ~~information and belief~~, Kidder repeatedly met with others or initiated contact with others in
17 California to carry out the raid. ~~Upon information and belief~~, Many of Kidder's wrongful acts
18 complained of herein, including acts in furtherance of the Defendants' misappropriation of trade
19 secrets, were carried out by Kidder in California or by others in California at Kidder's direction,
20 including obtaining and misappropriating confidential, proprietary and trade secret information.
21 Those intentional acts were aimed at parties and property primarily located within the state of
22 California. The harmful and intended effects of Kidder's actions have been felt, and will continue
23 to be felt, by First Citizens in California. Kidder regularly and frequently conducted business for
24 SVB within the state of California including but not limited to the time period 1995 through 2023
25 when he worked in California for SVB. ~~Upon information and belief~~, He continues to regularly
26 conduct business in California on behalf of HUSI and HSBC Bank USA, and in concert with
27 SVB UK, HSBC UK, and HSBC Holdings.

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3 37. ~~35-~~The Court has personal jurisdiction over Longo because, at all relevant times,
4 Longo knew that First Citizens' business (like ~~SVB~~SVB's before it) was substantially carried out
5 in California and that approximately twenty (if not more) of the First Citizens employees he
6 intended to raid live in California and worked for SVB, Silicon Valley Bridge Bank, and later
7 First Citizens in California. ~~Upon information and belief,~~ Longo targeted and solicited employees
8 who lived and worked in California urging them to join HSBC. ~~Upon information and belief,~~
9 Many of Longo's wrongful acts complained of herein, including acts in furtherance of the
10 Defendants' misappropriation of trade secrets, were carried out by Longo in California or by
11 others in California at Longo's direction, including obtaining and misappropriating confidential
12 information, proprietary and trade secret information. Those intentional acts were aimed at parties
13 and property primarily located within the state of California. The harmful and intended effects of
14 Longo's actions have been felt, and will continue to be felt, by First Citizens in California. Longo
15 regularly and frequently visited California throughout his work as an executive for SVB and
16 conducted business for SVB within the state of California. Numerous of the First Citizens
17 employees that Longo recruited (as described below) lived and worked for SVB and First
18 Citizens in California at the time Longo worked to divert them ~~to HSBC~~from First Citizens.

19 38. ~~36-~~The Court has personal jurisdiction over Hanlon because she is a citizen and
20 resident of the state of California. Moreover, at all relevant times, Hanlon knew that First
21 Citizens' business (like ~~SVB~~SVB's before it) was substantially carried out in California and that
22 approximately twenty (if not more) of the First Citizens employees she raided live in California
23 and worked for SVB, Silicon Valley Bridge Bank, and later First Citizens in California. ~~Upon~~
24 ~~information and belief,~~ Hanlon repeatedly met with others or initiated contact with others in
25 California to carry out the raid. ~~Upon information and belief,~~ Many of Hanlon's wrongful acts
26 complained of herein, including acts in furtherance of the Defendants' misappropriation of trade
27 secrets, were carried out by Hanlon in California or by others in California at Hanlon's direction,
28 including obtaining and misappropriating confidential, proprietary and trade secret information.

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3 Those intentional acts were aimed at parties and property primarily located within the state of
4 California. The harmful and intended effects of Hanlon’s actions have been felt, and will continue
5 to be felt, by First Citizens in California. Hanlon regularly and frequently conducted business for
6 SVB within the state of California including but not limited to the time period 2019 through 2023
7 when she worked in California for SVB. ~~Upon information and belief, she~~Hanlon continues to
8 regularly conduct business in California on behalf of HUSI and HSBC Bank USA, and in concert
9 with SVB UK, HSBC UK, and HSBC Holdings.

10 39. ~~37.~~The Court has personal jurisdiction over Andersen because, at all relevant
11 times, Andersen knew that First Citizens’ business (like ~~SVB~~SVB’s before it) was substantially
12 carried out in California and that approximately twenty (if not more) of the First Citizens
13 employees she intended to raid live in California and worked for SVB, Silicon Valley Bridge
14 Bank, and later First Citizens in California. ~~Upon information and belief,~~ Andersen targeted and
15 solicited employees who lived and worked in California urging them to join HSBC. ~~Upon~~
16 ~~information and belief,~~ Many of Andersen’s wrongful acts complained of herein, including acts in
17 furtherance of the Defendants’ misappropriation of trade secrets, were carried out by Andersen in
18 California or by others in California at Andersen’s direction, including obtaining and
19 misappropriating confidential, proprietary and trade secret information. Those intentional acts
20 were aimed at parties and property primarily located within the state of California. The harmful
21 and intended effects of Andersen’s actions have been felt, and will continue to be felt, by First
22 Citizens in California. Andersen regularly and frequently visited California throughout ~~his~~her
23 work as an executive for SVB and conducted business for SVB within the state of California.
24 Numerous of the First Citizens employees that Andersen recruited (as described below) lived and
25 worked for SVB and First Citizens in California at the time Andersen worked to divert them ~~to~~
26 ~~HSBC~~from First Citizens.

27 40. The Court has personal jurisdiction over HSBC Holdings because it, at all relevant
28 times, knew that First Citizens’ business (like SVB’s before it) was substantially carried out in

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3 California and that approximately twenty (if not more) of the First Citizens employees it raided
4 live in California and worked for SVB, Silicon Valley Bridge Bank, and later First Citizens in
5 California. As explained in greater detail below, by and through its agents, HSBC Holdings met
6 with others or initiated contact with others in California to carry out the raid. Many of HSBC
7 Holdings' wrongful acts complained of herein, including acts in furtherance of the Defendants'
8 misappropriation of trade secrets, were carried out by it in California. Those intentional acts were
9 aimed at parties and property primarily located within the state of California. The harmful and
10 intended effects of HSBC Holdings' actions have been felt, and will continue to be felt, by First
11 Citizens in California. HSBC Holdings regularly conducts business in California in concert with
12 HUSI and HSBC Bank USA.

13 41. The Court has personal jurisdiction over HUSI because it, at all relevant times,
14 knew that First Citizens' business (like SVB's before it) was substantially carried out in
15 California and that approximately twenty (if not more) of the First Citizens employees it raided
16 live in California and worked for SVB, Silicon Valley Bridge Bank, and later First Citizens in
17 California. As explained in greater detail below, by and through its agents, HUSI met with others
18 or initiated contact with others in California to carry out the raid. Many of HUSI's wrongful acts
19 complained of herein, including acts in furtherance of the Defendants' misappropriation of trade
20 secrets, were carried out by it in California. Those intentional acts were aimed at parties and
21 property primarily located within the state of California. The harmful and intended effects of
22 HUSI's actions have been felt, and will continue to be felt, by First Citizens in California. HUSI
23 regularly conducts business in California.

24 42. The Court has personal jurisdiction over HSBC Bank USA because it, at all
25 relevant times, knew that First Citizens' business (like SVB's before it) was substantially carried
26 out in California and that approximately twenty (if not more) of the First Citizens employees it
27 raided live in California and worked SVB, Silicon Valley Bridge Bank, and later First Citizens in
28 California. As explained in greater detail below, by and through its agents, HSBC Bank USA met

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3 with others or initiated contact with others in California to carry out the raid. Many of HSBC
4 Bank USA’s wrongful acts complained of herein, including acts in furtherance of the Defendants’
5 misappropriation of trade secrets, were carried out by it in California. Those intentional acts were
6 aimed at parties and property primarily located within the state of California. The harmful and
7 intended effects of HSBC Bank USA’s actions have been felt, and will continue to be felt, by
8 First Citizens in California. HSBC Bank USA regularly conducts business in California.

9 43. The Court has personal jurisdiction over HSBC UK because it, at all relevant
10 times, knew that First Citizens’ business (like SVB’s before it) was substantially carried out in
11 California and that approximately twenty (if not more) of the First Citizens employees it raided
12 live in California and worked for SVB, Silicon Valley Bridge Bank, and later First Citizens in
13 California. As explained in greater detail below, by and through its agents, HSBC UK met with
14 others or initiated contact with others in California to carry out the raid. Many of HSBC UK’s
15 wrongful acts complained of herein, including acts in furtherance of the Defendants’
16 misappropriation of trade secrets, were carried out by it in California. Those intentional acts were
17 aimed at parties and property primarily located within the state of California. The harmful and
18 intended effects of HSBC UK’s actions have been felt, and will continue to be felt, by First
19 Citizens in California. HSBC UK regularly conducts business in California in concert with HUSI
20 and HSBC Bank USA.

21 44. The Court has personal jurisdiction over SVB UK because it, at all relevant times,
22 knew that First Citizens’ business (like SVB’s before it) was substantially carried out in
23 California and that approximately twenty (if not more) of the First Citizens employees it raided
24 live in California and worked for SVB, Silicon Valley Bridge Bank, and later First Citizens in
25 California. As explained in greater detail below, by and through its agents, SVB UK met with
26 others or initiated contact with others in California to carry out the raid. Many of SVB UK’s
27 wrongful acts complained of herein, including acts in furtherance of the Defendants’
28 misappropriation of trade secrets, were carried out by it in California. Those intentional acts were

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3 aimed at parties and property primarily located within the state of California. The harmful and
4 intended effects of SVB UK’s actions have been felt, and will continue to be felt, by First
5 Citizens in California. SVB UK regularly conducts business in California in concert with HUSI
6 and HSBC Bank USA.

7 45. ~~38.~~ Venue is proper in this district pursuant to 28 U.S.C. § 1391(b)(2) because a
8 substantial part of the events or omissions giving rise to the claims occurred in this district and
9 because a substantial part of the property that is the subject of this action is situated in this
10 district.

11 V. **DIVISIONAL ASSIGNMENT**

12 46. ~~39.~~ Because this action is an Intellectual Property Action within the meaning of
13 Civil Local Rule 3-2(c), the action is to be assigned on a district-wide basis.

14 VI. **FACTUAL ALLEGATIONS**

15 A. **The Critical Role Played by Banks**

16 B. **And the Far-Reaching Consequences When Banks Fail**

17 47. ~~40.~~ Banks play a critical role in the economy by serving as financial intermediaries
18 that facilitate the flow of funds between individuals, businesses, and governments. They provide a
19 wide range of financial services that are essential for economic growth and stability.

20 48. ~~41.~~ Banks offer a safe place for individuals and businesses to deposit their money.
21 By pooling deposits together, banks have the ability to lend money to individuals and businesses
22 to support their financial needs.

23 49. ~~42.~~ Banks are major providers of credit and loans. They offer a range of lending
24 products, including personal loans, mortgages, business loans, and lines of credit.

25 50. ~~43.~~ Banks play a central role in facilitating payments and transactions. They
26 provide payment services that allow individuals and businesses to make transactions efficiently
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3 and securely. These services include issuing debit and credit cards, providing electronic fund
4 transfers, and processing checks.

5 51. ~~44.~~ Banks support economic growth by channeling money from savers to
6 borrowers, which helps stimulate economic growth. Banks provide financing to businesses,
7 enabling them to invest in new projects, purchase equipment, hire employees, and innovate. By
8 facilitating these activities through lending and investment, banks contribute to job creation,
9 technological advancement and economic development.

10 52. ~~45.~~ Banks work closely with governments by providing them with financial
11 services. For example, banks process tax payments and manage government accounts. They also
12 help governments raise funds through the issuance of bonds, and they provide advisory services
13 on fiscal matters.

14 53. ~~46.~~ In light of the wide range of services offered by banks, it is no surprise that
15 when a bank fails, it can cause a ripple effect throughout the economy as individuals and
16 businesses lose access to credit and financial stability. In addition, if depositors lose confidence in
17 the banking system, they may withdraw their funds from other banks causing further instability.

18 54. Creating and building a bank is a complex and time-consuming process, largely
19 due to the need to develop an operational infrastructure. The first steps, among other things,
20 include identifying a target market, validating the viability and potential profitability of a business
21 plan to enter that market, compiling customer, developing comprehensive financial projections
22 that forecast revenues, costs and expenses associated with a business plan, including financial
23 modeling of estimated sales volumes, production costs, operating expenses and anticipated
24 cashflow, formulating the operational efficiency needed to streamline processes, minimize waste,
25 and reduce costs and identifying and assessing potential risks that could impact the profitability of
26 the business plan, such as evaluating market risks, competitive risks and regulatory hurdles.

27 55. Building a highly specialized bank which incorporates a large new geographic
28 market, such as the United States, focused on high-growth start-ups and innovators in

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3 cutting-edge sectors, namely tech and life sciences, is even more complex, risky and
4 time-consuming. It requires in-depth research and commitment of resources to understand and
5 develop solutions for innovation-sector customer needs and demands, as well as understanding
6 and developing protocols and policies to navigate regulatory requirements applicable to
7 specialized and cutting-edge sectors. This form of specialized banking also requires the
8 development of a skilled and experienced workforce and the cultivation of expertise in the
9 creation of tailored banking products and innovative solutions, in the form of bespoke financial
10 services, custom loans, mortgages, and investment services. Additionally, building a strong
11 customer base and brand reputation in this new market are critical components that require
12 strategic planning and ongoing investment. HSBC did not have an established specialized
13 banking platform like this in the United States.

14 **B. When Banks Fail, the Government Steps in**

15 56. ~~47.~~ In the United States, the Resolution and Receivership Rules (12 C.F.R. Part
16 360) were established by the Dodd-Frank Wall Street Reform and Consumer Protection Act in
17 response to the financial crisis of 2008.

18 57. ~~48.~~ The Resolution and Receivership Rules (the “Rules”) are regulations
19 implemented by financial regulators to manage and resolve the insolvency of financial
20 institutions, particularly banks.

21 58. ~~49.~~ The Rules aim to protect depositors and prevent the spread of financial
22 instability to the wider economy. They provide a framework for the effective management of
23 financial institution insolvencies and contribute to the stability of the financial system.

24 59. ~~50.~~ The Rules outline the procedures that regulators use to resolve failing banks,
25 including by appointing the FDIC as a receiver to take control of a failed bank. In its role as a
26 receiver, the FDIC is responsible for taking over and managing a failed bank, liquidating its
27 assets, or transferring them to a healthy bank. This helps to ensure that a failed bank’s assets and
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3 liabilities are transferred to responsible parties who can continue to serve the needs of the bank’s
4 customers and maintain the integrity of the financial system.

5 60. ~~51.~~ Interfering with the FDIC’s efforts to resolve a failed bank is a serious matter
6 that can have a wide array of detrimental consequences. These consequence include: (i)
7 disrupting the orderly wind-down of a failed bank, potentially leading to panic and loss of
8 confidence in the banking system, which in turn can have ripple effects throughout the economy
9 impacting other financial institutions and damaging overall stability; (ii) contributing to a loss of
10 depositors’ confidence, which can trigger bank runs where depositors withdraw funds and
11 potentially cause a liquidity crisis and additional bank failures; (iii) undermining the efficacy of
12 the FDIC’s role in stabilizing the financial system; (iv) deterring healthy banks from acquiring the
13 assets and liabilities of failed banks; (v) augmenting costs associated with resolving failed banks
14 thereby increasing expense to taxpayers; and (vi) delaying economic recovery and contributing to
15 the burden imposed on individuals, businesses and the economy.

16 C. **First Citizens’ Long and Distinguished History**

17 61. ~~52.~~ First Citizens is a U.S.-based financial institution that has established itself as
18 a respected entity in the banking industry. ~~Celebrating~~Having celebrated its 125th year in business
19 in 2023, it is one of the healthy and stable banks that the FDIC relies upon to help rescue failed
20 banks. The bank is headquartered in Raleigh, North Carolina, and operates in various states,
21 including Arizona, California, Colorado, Florida, Georgia, Kansas, Maryland, Missouri,
22 Nebraska, New Mexico, North Carolina, Oklahoma, Oregon, South Carolina, Tennessee, Texas,
23 Virginia, Washington, West Virginia, and Wisconsin.

24 62. ~~53.~~ For more than a century, First Citizens has demonstrated stability in the
25 banking industry. Its long history indicates a track record of successfully navigating through
26 various economic cycles and challenges, including the Great Depression, multiple recessions, and
27 other financial crises.

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3 63. ~~54.~~ First Citizens has maintained sound financial performance over the years. It
4 has shown consistent profitability, demonstrating its ability to manage risk and generate
5 sustainable growth.

6 64. ~~55.~~ First Citizens is actively involved in the communities it serves. It supports
7 various community initiatives, charitable organizations, and local events. The bank's commitment
8 to community engagement contributes to its positive reputation and demonstrates its dedication to
9 the well-being of the areas in which it operates.

10 65. ~~56.~~ First Citizens offers a variety of personal and commercial banking products
11 and services, including checking and savings accounts, loans, credit cards, online and mobile
12 banking, investment and wealth management services, and more.

13 66. ~~57.~~ As all respectable institutions do, First Citizens prioritizes ethical practices and
14 compliance with regulations. It strives to adhere to industry standards, regulatory requirements,
15 and best practices, ensuring transparency, integrity, and the protection of customer information.

16 67. ~~58.~~ Since 2009, First Citizens has partnered with the FDIC to successfully
17 complete more than 20 FDIC-assisted transactions—more than any bank in the country.

18 68. ~~59.~~ As noted above, when a bank fails, the government looks for a reputable and
19 stable institution to help fix the problem. When SVB failed, the FDIC chose First Citizens.

20 D. **History of Silicon Valley Bank**

21 69. ~~60.~~ Until recently, SVB Financial Group (“Holdco”) was a bank holding company.
22 Through its various subsidiaries and divisions—such as SVB and SVB UK—Holdco offered a
23 diverse set of banking and financial products and services to clients across the United States, as
24 well as in key international innovation markets.

25 70. ~~61.~~ For nearly forty years, Holdco’s subsidiaries had been dedicated to helping
26 support entrepreneurs and clients of all sizes and stages throughout their life cycles, primarily in
27 the technology, life science/healthcare, private equity/venture capital, and premium wine
28 industries.

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3 71. ~~62.~~ Holdco offered commercial and private banking products and services through
4 its principal subsidiary, SVB, which, until recently, was a California state-chartered bank founded
5 in 1983 and a member of the Federal Reserve System.

6 72. ~~63.~~ SVB had a unique focus among American banks. It focused on providing its
7 products and services to clients primarily in the technology and life science/healthcare industries
8 as well as global private equity and venture capital clients.

9 73. ~~64.~~ SVB provided solutions to the financial needs of its commercial company
10 clients throughout their life cycles, beginning with the “emerging” or “early stage” and
11 progressing through later stages as their businesses matured and expanded.

12 74. ~~65.~~ SVB’s technology clients tended to be in the industries of frontier tech and
13 hardware (such as semiconductors, communications, data, storage and electronics), enterprise and
14 consumer software/internet (such as infrastructure software applications, software services,
15 digital content and advertising technology), fintech, and climate technology and sustainability.

16 75. ~~66.~~ SVB’s life science/healthcare clients tended to be in the industries of
17 biopharma, healthtech, medical devices, healthcare services, and diagnostics and tools.

18 76. ~~67.~~ SVB offered its technology and life science/healthcare commercial clients a
19 full range of credit solutions. These solutions included traditional term loans, growth capital term
20 loans, equipment loans, asset-based loans, revolving lines of credit, warehouse facilities,
21 recurring revenue facilities, mezzanine lending, acquisition finance facilities, corporate working
22 capital facilities standby and commercial letters of credit, project finance loans, and credit card
23 programs.

24 77. ~~68.~~ SVB’s private equity and venture capital clients were often investors in the
25 commercial companies to whom SVB provided banking services. SVB cultivated strong
26 relationships within the private equity and venture capital communities, which in turn helped to
27 facilitate deal flow opportunities between these private equity/venture capital firms and the
28 commercial companies.

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3 78. ~~69.~~ Key to SVB’s success was its ability to attract, retain and motivate qualified
4 employees. SVB relied heavily upon employees who have technical or other specialized expertise
5 and/or a strong network of relationships with individuals and institutions within the markets it
6 served.

7 79. ~~70.~~ SVB invested significant time, money and resources in recruiting, training and
8 developing its skilled and specialized workforce.

9 **E. The Collapse of SVB**

10 80. ~~71.~~ Over a period of two days in March 2023, SVB went from being solvent to
11 ~~broke~~ being in FDIC receivership.

12 81. ~~72.~~ On or about March 8, 2023, SVB Financial Group announced it would book a
13 \$1.8 billion loss after selling some of its investments ~~to cover increasing withdrawals~~.

14 82. ~~73.~~ When trading opened on March 9, 2023, SVB ~~Financial’s~~ Financial Group’s
15 stock price plummeted, panic spread across social media, and venture capital firms began pulling
16 their money out of SVB. By the end of the day, depositors had withdrawn approximately \$42
17 billion.

18 83. ~~74.~~ On March 10, 2023, SVB was closed by the California Department of
19 Financial Protection and Innovation, which appointed the FDIC as receiver. SVB’s collapse
20 marked what was then the second largest bank failure in U.S. history.

21 84. ~~75.~~ Fears of contagion and systemic failure began to spread. These fears were
22 rooted in a recognition that banks are interlinked; if there is a run on one bank, that may lead to a
23 lack of confidence in the market and a run on other banks.

24 85. ~~76.~~ International media added to the concerns. For example, CNN reported that
25 “SVB’s downfall continue[d] to reverberate across global financial markets.” See
26 <https://www.cnn.com/2023/03/13/investing/silicon-valley-bank-collapse-explained/index.html>. It
27 also reported that in the wake of SVB’s collapse, there were “already some signs of stress at other
28 banks.” Id.

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86. ~~77.~~ Also on March 10, 2023, the FDIC created the Deposit Insurance National Bank of Santa Clara (“DINB”) to protect SVB’s insured depositors. In an effort to calm fears, the FDIC announced that all depositors would continue to have full access to their insured deposits no later than Monday, March 13, 2023. See <https://www.fdic.gov/news/press-releases/2023/pr23016.html>. It also announced that uninsured depositors would receive a receivership certificate for the remaining amount of their uninsured funds. Id. The FDIC made an additional assurance that as it sold the assets of SVB, future dividend payments would be made to uninsured depositors. Id.

87. ~~78.~~ On Sunday, March 12, 2023, the Department of the Treasury, the Federal Reserve, and the FDIC issued a joint statement:

Today we are taking decisive actions to protect the U.S. economy by strengthening public confidence in our banking system. This step will ensure that the U.S. banking system continues to perform its vital roles of protecting deposits and providing access to credit to households and businesses in a manner that promotes strong and sustainable economic growth.

After receiving a recommendation from the boards of the FDIC and the Federal Reserve, and consulting with the President [of the United States of America], [Treasury] Secretary Yellen approved actions enabling the FDIC to complete its resolution of Silicon Valley Bank, Santa Clara, California, in a manner that fully protects all depositors. Depositors will have access to all of their money starting Monday, March 13. No losses associated with the resolution of Silicon Valley Bank will be borne by the taxpayer.

* * *

[T]oday’s actions demonstrate our commitment to take the necessary steps to ensure that depositors’ savings remain safe.

See <https://www.fdic.gov/news/press-releases/2023/pr23017.html>

88. ~~79.~~ That same day, the Federal Reserve Board announced that it would make available additional funding to eligible depository institutions to help ensure that banks would have the ability to meet the needs of all their depositors. Id.

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3 89. ~~80.~~ Meanwhile, fears of contagion continued to spread, and Signature Bank was
4 closed on March 12, 2023 by its state chartering authority. Id. At the time, this was the third
5 largest bank failure in U.S. history.

6 90. ~~81.~~ The immediate actions of the Department of the Treasury, the Federal Reserve,
7 and the FDIC illustrated the magnitude of the emergency.

8 91. ~~82.~~ On Monday, March 13, 2023, in a televised address, President Biden sought to
9 restore confidence in the banking system. Despite his assurances, shares of numerous regional
10 banks continued to slide.

11 92. ~~83.~~ Also on or about Monday, March 13, 2023, the FDIC transferred all
12 deposits—both insured and uninsured—and substantially all assets of DINB (i.e., the former
13 Silicon Valley Bank of Santa Clara, California) to a newly created, full-service FDIC-operated
14 “bridge bank” with the stated intent of protecting all depositors of SVB. See
15 <https://www.fdic.gov/news/press-releases/2023/pr23019.html>. A bridge bank is a chartered
16 national bank that operates under a board appointed by the FDIC. Id. It assumes the deposits and
17 certain other liabilities and purchases certain assets of a failed bank. Id. The bridge bank structure
18 is designed to “bridge” the gap between the failure of a bank and the time when the FDIC can
19 stabilize the institution and implement an orderly resolution. Id.

20 93. ~~84.~~ The FDIC also announced that all depositors of the new bank, Silicon Valley
21 Bridge Bank, N.A. (the “Bridge Bank”) would continue to have full access to their money. Id. All
22 depositors and borrowers of SVB immediately became customers of the Bridge Bank. Id.
23 Additionally, all employees of SVB became employees of the Bridge Bank.

24 94. ~~85.~~ On March 13, 2023, the Bridge Bank enacted an Enabling Resolution,
25 adopting, among other things: (¶1) SVB’s Standards of Conduct, however identified; (¶2) SVB’s
26 policies and procedures; and (¶3) SVB’s compliance regime. ~~As such,~~ Defendants Patel,
27 Stepanis, Kidder, Longo, Hanlon, and Andersen became employees of the Bridge Bank and
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3 remained bound by SVB’s Standards of Conduct and policies and procedures, which were
4 adopted by the Bridge Bank.

5 **F. The FDIC Puts the Bridge Bank Up For Auction**

6 95. ~~86.~~ The FDIC is statutorily required to resolve failed institutions in a way that
7 minimizes losses to the Deposit Insurance Fund. See
8 <https://www.fdic.gov/buying/franchisemarketing/index.html>. When doing so, the FDIC’s
9 “primary objective is to maintain financial system stability and public confidence.” Id. The FDIC
10 also “tries to reduce the impact on the community.” Id.

11 96. ~~87.~~ With respect to SVB, the FDIC elected to hold an auction. Pursuant to its
12 established practices, the FDIC invited “qualified bidders” to submit bids to acquire the assets
13 and assume the liabilities of the Bridge Bank. Although qualified bidders may participate in the
14 resolution process for a variety of strategic reasons, a successful resolution can provide a
15 seamless transition for depositors and borrowers and calm financial markets and systems.
16 Consequently, the public, businesses, the government, and the entire U.S. and global financial
17 system are all stakeholders in the successful resolution of a failed bank.

18 97. ~~88.~~ The collective shared interest in successful resolution of SVB was illustrated
19 by a “Statement of Support” signed by approximately 100 venture capitalists shortly after SVB’s
20 collapse. Since that time, the Statement of Support has been adopted by an additional 600 or so
21 venture capitalists. The Statement of Support provides as follows:

22 Silicon Valley Bank has been a trusted and long-time partner to the venture
23 capital industry and our founders. For forty years, it has been an important
24 platform that played a pivotal role in serving the startup community and
25 supporting the innovation economy in the US.

26 The events that unfolded over the past 48 hours have been deeply
27 disappointing and concerning. In the event that SVB were to be purchased
28 and appropriately capitalized, we would be strongly supportive and
encourage our portfolio companies to resume their banking relationship
with them.

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3 98. ~~89.~~ The Statement of Support reflects the venture banking market’s collective
4 experience and desire—when a bank failure threatens the stability of our financial markets and
5 systems, someone must come to the rescue. In this case, First Citizens was that someone.

6 99. ~~90.~~ The auction period lasted about two weeks. As of March 20, 2023, the media
7 was reporting that First Citizens had submitted a bid to purchase the Bridge Bank (see, e.g.,
8 https://www.bloomberg.com/news/articles/2023-03-20/first-citizens-said-to-continue-pursuit-of-s
9 ilicon-valley-bank). According to the FDIC, nineteen other companies submitted bids for at least
10 some portion of the Bridge Bank. HSBC was not one of them.

11 100. ~~91.~~ On Sunday, March 26, 2023, the FDIC announced that it had entered into a
12 purchase and assumption agreement for all deposits and loans of the Bridge Bank by First
13 Citizens.

14 G. The HSBC ~~Seeks~~ Entities Seek to Take That Which ~~It~~ They Would Not Buy-
15 ~~And~~ ~~it~~ ~~Does~~ ~~So~~
16 Through Unlawful Conduct
Through the Misuse of SVB’s Confidential and Trade Secret Information

17 101. ~~92.~~ On or about March 13, 2023, HSBC ~~U.K.~~ UK acquired SVB UK for £1
18 (approximately \$1.21). ~~HSBC announced its~~ The acquisition ~~stating, “was announced on HSBC’s~~
19 website: “We’ve acquired the UK arm of US lender Silicon Valley Bank (SVB).” See
20 https://www.hsbc.com/news-and-media/hsbc-news/hsbc-buys-silicon-valley-bank-uk. Portraying
21 HSBC Holdings (and the other HSBC Entities) as a savior, Noel Quinn, HSBC ~~Group~~ Holdings’
22 Chief Executive Officer stated, “SVB UK customers can continue to bank as usual, safe in the
23 knowledge that their deposits are backed by the strength, safety and security of HSBC.” Id. ~~It~~
24 ~~would not take long for HSBC’s purportedly altruistic intentions to succumb to greed.~~

25 102. ~~93.~~ While the FDIC was scrambling to stabilize matters in the United States,
26 Defendant Sabow and all of the HSBC Entities were plotting to exploit the situation for their own
27 economic gain.

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3 103. ~~94. Upon information and belief, on or about~~On March 13, 2023, Sabow was an
4 employee of SVB UK. It had barely been two months, ~~perhaps less,~~ since he left SVB to join
5 SVB UK. Indeed, until March 1, 2023, Sabow still had an executive function within SVB with
6 respect to awarding 2022 year-end performance awards and compensation to those SVB
7 employees within the Technology and Healthcare Banking group that he had led until the end of
8 2022. With his knowledge of SVB fresh in his head, Sabow began drafting what he called
9 ~~“Project Colony.”~~

10 104. ~~95.~~ Project Colony was Sabow’s written ~~plan to steal,~~ narrative business plan,
11 supported by financial modeling, to take and operate some of the most lucrative portions of
12 SVB’s business, creating a competitor entity that would take SVB’s business and quickly displace
13 it in the market.

14 105. ~~96. Sabow’s “Sabow began working on~~ Project Colony” ~~plan noted that as early as~~
15 March 14, 2023. In Sabow’s words, the “collapse of Silicon Valley Bank” presented a “narrow
16 window of opportunity for a scaled, stable, and well-capitalized platform [such as HSBC] to
17 become the landing ground for key talent across the market – recreating a better version of the
18 prior dominant platform.” He further explained, “**I have identified 6 core leaders to serve as**
19 **our “Founders” for this US venture banking business.**” (Boldface emphasis in original). -
20 ~~Upon information and belief,~~ The six “core leaders” identified by Sabow were Defendants Patel,
21 Stepanis, Kidder, Longo, Hanlon, and Andersen.

22 106. ~~97.~~ Sabow chose these particular six “core leaders” because they were “key
23 functional leaders” with “superb client and employee followership.” He further noted that they
24 were well positioned to carry out two “waves” of hiring: “Wave 1,” which would begin with “an
25 additional 35 professionals already identified,” and “Wave 2,” which would target “an additional
26 40 professionals at junior levels.” Sabow noted that the SVB professionals he was targeting cut
27 “across Venture Capital Relationship Management, Relationship Management, and Credit
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3 Solutions,” i.e., the business groups that were essential to successfully lifting out “the core of
4 [SVB’s] profitability engine.”

5 107. ~~98.~~ Sabow noted that previous efforts to establish a foothold in the market by
6 hiring key individuals away from SVB had ~~been successful~~ shown signs of success: “In 2019 JP
7 Morgan lifted out a small group of individuals with Venture relationships and venture debt Credit
8 Solutions expertise and in a very short period they became the #2 player in the market.”

9 108. ~~99.~~ Sabow ~~proceeded to make his sales pitch by employing his knowledge of~~
10 ~~SVB’s~~ crafted his written plan and financial models by using confidential and proprietary
11 information he obtained from SVB, the Bridge Bank, and First Citizens. For example, he began
12 by setting forth tables reflecting SVB’s “win rate” against its core competitors segmented by deal
13 size and numbers of loans. Recognizing the confidential nature of this data, Sabow redacted it. -
14 ~~Upon~~ Curiously, however, Sabow only redacted some, but not all of the confidential information
15 ~~and belief,~~ he included in Project Colony. As First Citizens expects to establish upon further
16 investigation and discovery, Sabow later shared the unredacted data with all of the HSBC Entities
17 when seeking their input, assistance and approval to execute Project Colony, including after First
18 Citizens purchased the assets of the Bridge Bank.

19 109. ~~100.~~ Sabow ~~proceeded to outline~~ also outlined his intent to seize percentages of
20 various market shares identical to those held by SVB (the amounts of which are not publicly
21 available), and he justified the merits of his plan by citing and leveraging confidential
22 information. This included his recitation of SVB’s “annual gross profit per core borrower” and
23 “per non-core borrower.” It also included non-public statistical information identifying by
24 percentage the amount of SVB clients falling within certain borrowing classifications. He laid out
25 a “preliminary financial model leveraging [his] key assumptions” which were predicated on
26 specific dollar amounts for loan portfolios, implied revenue and growth, and employee
27 ~~salaries~~ compensation, which include non-public data he obtained as a result of his role as an
28 executive and fiduciary of SVB and from the ~~other~~ Individual Defendants. As explained in more

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3 detail below, Sabow filled in parts of his plan ~~throughout~~ in March and in April of 2023 by
4 obtaining additional non-public data from ~~SVB~~ Bridge Bank and First Citizens employees, and by
5 incorporating ~~input from~~ information provided by the six “core leaders” ~~in violation of their~~
6 ~~fiduciary duties to SVB and First Citizens~~ or “Pillars.”

7 110. Sabow urged quick action: “If the strategy described [in this Project Colony plan]
8 is of interest, we need to move quickly to secure the six identified core leaders in the U.S. that
9 will become the pillars for this US venture banking business.” (Boldface and italics emphasis in
10 original).

11 H. Background Facts: Defendants Laid the Foundation for the Execution of
12 Project Colony Before First Citizens Acquired the Assets of the Bridge Bank
13 on March 27, 2023

14 111. Sabow’s creation of Project Colony, and the Defendants’ actions in concert with
15 him, began on March 14, 2023 and continued through the Easter holiday weekend on April 8 and
16 9, 2023. Some, but not all, of the Defendants’ actions throughout this time period are chronicled
17 below. Dates and times referenced herein are as of U.S. Pacific time, except when otherwise
18 noted.

19 Tuesday, March 14, 2023

20 112. On or about March 14, 2023, Sabow began drafting Project Colony.

21 113. On March 14, 2023, Sabow sought assistance and input from Patel asking for her
22 managerial knowledge of historical workload capacity for Venture Capital Relationship Managers
23 segmented by numbers of top tier clients. At this time, Patel was an employee of the Bridge Bank
24 living and working in California, and she promptly provided him with this information.

25 114. Also on March 14, 2023, Sabow asked another employee of the Bridge Bank for
26 Client Lifetime Value (“CLV”) data for various types of SVB’s clients. CLV data is confidential
27 data that provides the total value the bank expects to derive from its relationship with a client
28 over the duration of their association, and it is derived using a combination of historical company

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3 data and modeling that is not publicly available. CLV data was used by SVB to segment clients
4 into groups based on profitability to enable allocation of resources in a cost-effective and strategic
5 manner.

6 115. Contemporaneous with his work on Project Colony on March 14, 2023, Sabow
7 accessed various spreadsheets and files including a twenty-five slide PowerPoint labeled “SVB
8 Confidential” containing non-public business planning information predicated on profit data,
9 CLV information, projected expenses, projected profits, and more.

10 Wednesday, March 15, 2023

11 116. On March 15, 2023, Sabow met with Noel Quinn, CEO of HSBC Holdings, and
12 Ian Stuart, CEO of HSBC UK, about Project Colony. Later that day, Sabow and Quinn met for a
13 second time. This meeting also included Bob Hoyt, Chief Legal Officer of HSBC Holdings and
14 Greg Guyett, CEO of Global Banking & Markets for HSBC Holdings. On information and belief,
15 Sabow made a pitch for HSBC to back Project Colony.

16 117. Sabow continued to draft and refine Project Colony. Sabow received an invitation
17 to have lunch with Stuart Tait later that week to discuss Project Colony. Stuart Tait is HSBC
18 UK’s Head of Commercial Banking.

19 118. On March 15, 2023, Sabow sought assistance and information from a senior
20 manager of the Bridge Bank, asking for his managerial knowledge of historical workload capacity
21 for certain employees as well as client portfolio growth rate data. Sabow told the manager he
22 needed the information because he was “[h]elping with some analysis.” Sabow falsely implied
23 this analysis was for the Bridge Bank’s benefit and did not disclose that his “analysis” was hostile
24 to the Bridge Bank and its future acquirer.

25 Thursday, March 16, 2023

26 119. ~~101. In one particularly egregious example of misconduct,~~ On March 16, 2023,
27 Sabow continued to draft and refine Project Colony. Sabow sent an instant message to an
28 employee of ~~what was then~~ the Bridge Bank. ~~in that message, which~~ he asked the employee to

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3 provide information that he intended to use (and which he did in fact use) to further refine,
4 enhance and develop ~~his~~ “Project Colony” ~~plan~~. Specifically, Sabow asked the employee the
5 following:

- 6 1) What is the average annual gross profit for the Tech AG Non-Core
7 Borrower
- 8 2) What is the average annual gross profit for the Tech AG Core Borrower
(including loan, deposits, everything)
- 9 3) Same as 1, and 2 above for the LS AG [i.e., Life Science & Accelerator
10 & Growth Group] portfolio under Kevin Longo
- 11 4) What is the total population of the venture backed U.S. market in the
12 segments we serve (not those that have gone public but those that have
13 raised any round of venture capital over the last couple of years)
- 14 5) Per 4 above, do we have a map showing where those are located around
15 the US by chance? (I think this may have been part of the Series A
16 work you did, but not sure if that is just Series A or all prospects).

17 120. ~~102.~~ Sabow asked the employee to turn this information around the same day.

18 121. ~~103.~~ Unsure as to whether Sabow was an employee of the Bridge Bank (~~or even~~
19 ~~SVB UK because it had already been purchased by HSBC~~), the employee asked, “Hi Dave –
20 checking if you are still an employee of the US entity?” Sabow responded, “Good point
21 [employee name] – I have a UK co tract [sic] but am no longer the CEO here” and he falsely told
22 the employee he was “likely heading back to US with SVB.” To assuage the employee’s concern,
23 he told the employee to “send [the requested information] to Sunita [Patel]” because Patel was an
24 SVB employee in the U.S.

25 122. ~~104.~~ The employee followed Sabow’s direction and provided the requested
26 information by email to Patel in California with the subject line “RE: Dave Sabow requests on
27 Gross Profit across Segment and Borrower types.” ~~On March 16 and March 17, 2023,~~ The
28 employee ~~and Patel exchanged emails regarding~~ described Sabow’s requests and asked Patel to
“pls confirm that you would still like these?” Patel said, “Yes please send them as you get them.”
After receiving the information, ~~and~~ Patel thanked the employee ~~for the information~~. It is evident

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3 that Patel then provided the requested information to Sabow because Sabow incorporated the
4 information into ~~his~~ “Project Colony” ~~plan~~.

5 ~~105. Upon information and belief, it appears that in her March 17, 2023 email to the~~
6 ~~employee, Patel attempted to create a false justification for having requested the information from~~
7 ~~the employee in the emails with the Subject line: “RE: Dave Sabow requests on Gross Profit~~
8 ~~across Segment and Borrower types” by writing to the employee, “Forgot to mention—we’re~~
9 ~~looking at pulling deposit trend data for the VC firms that pledged support for SVB. Would be at~~
10 ~~the firm and porteo level to help prioritize outreach. Will likely come early next week.”~~

11
12 123. On March 16, 2023, Sabow began making plans to fly to San Francisco from
13 London. He told SVB UK’s Chief Human Resources Officer, Paola Parsons, that he was
14 returning to the United States on Saturday and was making progress on Project Colony.

15 124. That same day, consistent with Project Colony, Sabow began reaching out to
16 Bridge Bank employees in California to arrange meetings with them to discuss Project Colony.

17 a. Sabow messaged Patel to say, “Hi – I am back in the US next week. Should we get
18 together?”

19 b. He also messaged Stepanis to say, “Know you and the team are drowning. I am
20 headed back to the US this weekend - can’t wait to get back to my support
21 network! I was hoping I might be able to connect with you for a bit - time for us to
22 start focusing on the future.”

23 c. He likewise communicated with Andersen about getting together, and he let her
24 know he just booked a flight.

25 125. That same day (March 16, 2023), he also reached out to the following Bridge Bank
26 employees:

27 a. **The Head of Relationship Management, Technology Banking** (a California
28 employee [JM]) and said he wanted “to connect with [the employee]”;

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- b. The Head of Frontier Technology (a California employee [AK] whom he had listed among his targets in Project Colony) and said, “I am back in the Bay Area next week and wanted to see if you would be up for grabbing lunch or a coffee? Let me know if you are up for this. Such a sad time right now - hope you are hanging in there.” The employee responded to say she was on “an emotional roller coaster,” and Sabow said, “Best way to heal is to drive all energy towards the future - that’s what I want to speak with you about.”;
- c. A Managing Director (a California employee [AC] whom he had listed among his targets in Project Colony and who ultimately joined Stepanis’ team at HSBC Bank USA) to say, “I hope you are hanging in there. Such a sad time right now for so many of us. I am back in the Bay Area next week and wanted to see if you were up for grabbing lunch or a coffee?”;
- d. Another Managing Director (an employee [JP] whom he had listed among his targets in Project Colony) to say, “hope you are hanging in there my friend. What an absolute tragedy we are living through. I am starting to orient my thoughts and actions to the future - wanted to discuss this with you. Are you up for a coffee or a lunch next week?”

126. Sabow invited Erin Platts, SVB UK’s CEO, to speak via WhatsApp, and Platts accepted the invitation.

Friday, March 17, 2023

127. On March 17, 2023, Sabow continued to draft and refine Project Colony. For Quinn’s and Shweta Solanski’s review. Solanski was SVB UK’s Chief of Staff.

128. Also on March 17, 2023, Sabow worked on a spreadsheet tracking his contact with the Pillars. On this spreadsheet (the “Tracking Spreadsheet”), he listed each Pillar, stated whether he had successfully contacted them to discuss Project Colony, and then noted if they were “In” (meaning that they agreed to participate in his Project Colony scheme). He also provided the

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3 same information for dozens of then-Bridge Bank employees he was targeting in California and
4 across the country.

5 129. Also on March 17, 2023, Sabow sought feedback on Project Colony from Solanki.
6 Providing her with a copy, Sabow wrote that he “would love for you to give this a quick review if
7 you are willing.” He also stated, “Highly confidential so please do not discuss or share.”

8 130. Solanki asked Sabow what would happen when the Bridge Bank was acquired.
9 Later that day, March 17, 2023, Solanki and Sabow spoke by phone. As First Citizens expects to
10 establish upon further investigation and discovery, they discussed Project Colony.

11 131. Also on March 17, 2023, Sabow provided a copy of Project Colony to Greg
12 Guyett, HSBC Holdings’ CEO of Global Banking & Markets. Sabow wrote, “I am sharing a
13 rough overview of the opportunity for US venture banking that we discussed (redacting select
14 sensitive information).” Sabow told Guyett that the financial model was “driven by client
15 acquisition and past platform experience around profitability and capacity characteristics.” He
16 added, “if this is of strategic interest we would need to lock down some of the key senior hires in
17 the near term. (Noel [Quinn] had mentioned it may make sense to meet with Michael Roberts
18 [HSBC Holdings’ Group Managing Director and Executive Committee member, HUSI’s
19 Chairman, President and CEO; and HSBC Bank USA’s Chairman] . . . I am of course happy to do
20 a call or visit him in New York.)”

21 132. When Sabow provided Project Colony to Guyett, it was redacted in part. By
22 redacting portions of the plan, Sabow made plain to Guyett that he was willfully and maliciously
23 using Bridge Banks’s confidential and proprietary information. Guyett did not respond with any
24 concerns about Sabow’s use of redacted information in Project Colony.

25 133. On March 17, 2023, Sabow sent a copy of Project Colony to Patel in California
26 with a note saying, “Please take a look and let me know what you think.”

27 Saturday, March 18, 2023

28 134. On March 18, 2023, Sabow continued to draft and refine Project Colony.

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3 135. On March 18, 2023, Sabow communicated with another Bridge Bank employee
4 who ultimately followed him to HSBC Bank USA. Sabow said, “[j]ust flying back to see my
5 family - need some support and want to spend some time with my SVBers from the colony.
6 Something great will emerge from these ashes - I am working on it. Keep your phone on my
7 friend and let’s stay connected.”

8 136. On March 18, 2023, Sabow flew from London to San Francisco.

9 137. On March 18, 2023, Kidder communicated with Sabow to say, “Look forward to
10 seeing you in person some time.”

11 138. On March 18, 2023, Sabow continued his campaign to seek buy-in from the
12 various HSBC Entities by touting the economic benefits all of the Entities would enjoy if they
13 approved of Project Colony. Sabow sent a copy of Project Colony to Stuart Tait, HSBC UK’s
14 Head of Commercial Banking, and said, “there has never been a combination of this scale in the
15 venture banking area and it creates a once in a generation opportunity I thought I would share the
16 attached overview I prepared around the potential for a global expansion for this effort – if
17 nothing else hopefully this provides you with some additional insight on the venture banking
18 component of the business specifically.” Tait responded to say, “Many thanks for sharing the
19 attached deck, which sounds exciting.” Tait added, “We need to maximise all the opportunities
20 created by coming together.”

21 139. When Sabow provided Project Colony to Tait, it was redacted in part. By redacting
22 portions of the plan, Sabow made plain to Tait that he was willfully and maliciously using SVB’s
23 confidential and proprietary information. Tait did not respond with any concerns about Sabow’s
24 use of redacted information in Project Colony. Project Colony

25 140. On March 18, 2023, Sabow also provided Ian Stuart, HSBC UK’s CEO, a copy of
26 Project Colony and said, “I wanted to share the attached materials I pulled together (also shared
27 these with Greg Guyett yesterday).” Stuart responded in part by saying, “there is no doubt, HSBC
28 see [sic] this as a key market where we want to operate.” He also asked Sabow if he had time to

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3 meet with Greg Guyett (HSBC Holdings’ CEO of Global Banking & Markets) and Michael
4 Roberts (HSBC Holdings’ Group Managing Director and Executive Committee member, HUSI’s
5 Chairman, President and CEO; and HSBC Bank USA’s Chairman). Stuart also acknowledged “if
6 we are going to move, we will have to move at pace.” Sabow responded, “I had an engaging
7 discussion with Greg on Wednesday and we spoke again last evening. I have not yet connected
8 with Michael but would welcome the opportunity to do so – I believe Greg was going to reach out
9 to him to discuss. I am in the SF Bay Area this week meeting with many of the key players to
10 support this strategy.”

11 141. When Sabow provided Project Colony to Stuart, it was redacted in part. By
12 redacting portions of the plan, Sabow made plain to Stuart that he was willfully and maliciously
13 using SVB’s confidential and proprietary information. Stuart did not respond with any concerns
14 about Sabow’s use of redacted information in Project Colony. Project Colony

15 142. On March 18, 2023, Michael Roberts contacted Sabow and said, “Welcome to
16 HSBC. I did speak to Greg [Guyett] and have your memo, which I’ve read.” He added that he
17 “would love to discuss your [i.e., Sabow’s] views of the business and your memo.”

18 Sunday, March 19, 2023

19 143. On March 19, 2023, Sabow continued to draft and refine Project Colony. While
20 doing so, he repeatedly toggled back and forth over a four-hour period to a spreadsheet dated
21 January 20, 2023 which contained a large amount of confidential information concerning the
22 performance of his direct reports (including Andersen, Longo, Patel, Hanlon and Stepanis) and
23 the business under their supervision, including information concerning incentive gross profit,
24 direct expense management, direct return on equity, revenue information, year over year loan
25 growth, year over year headcount growth, year over year client growth, loan and deposit data, and
26 direct net income.

27 144. On March 19, 2023, Stuart Tait asked Sabow whether Project Colony had been
28 shared with Noel Quinn and others. Sabow responded, “this has been shared with Michael

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3 Roberts, Greg Guyett, and Ian [Stuart] at this point. I know the team was also discussing with
4 Noel (believe there was a meeting yesterday).” Thus, at this point, Project Colony had been
5 disclosed to, and was under consideration by executives of HSBC Holdings, HSBC UK, SVB
6 UK, HUSI, and HSBC Bank USA.

7 Monday, March 20, 2023

8 145. On March 20, 2023, Sabow continued to draft and refine Project Colony. He also
9 met in California with at least three of the employees he had listed among his targets in Project
10 Colony.

11 146. On March 20, 2023, Andersen and Hanlon spoke by phone for approximately
12 twenty-one minutes. As First Citizens expects to establish upon further investigation and
13 discovery, they discussed Project Colony.

14 Tuesday, March 21, 2023

15 147. On March 21, 2023, Sabow continued to draft and refine Project Colony.

16 148. On March 21, 2023, Hanlon googled “michael roberts hsbc.” As First Citizens
17 expects to establish upon further investigation and discovery, Hanlon made this Google search
18 because Sabow had discussed Project Colony with her.

19 149. On March 21, 2023, Greg Guyett contacted Sabow and suggested that they find
20 some time to speak in the morning. Guyett also introduced Sabow to Barry O’Byrne, HSBC
21 Holdings’ Chief Executive of Global Commercial Banking and said it “[w]ould be good for [the]
22 two of you to speak.” Sabow and O’Byrne spoke later that day.

23 150. On March 21, 2023, Ian Stuart (HSBC UK’s CEO) provided a copy of Project
24 Colony to Willard McLane, whom he introduced to Sabow as “our Group Head of strategy.”
25 Stuart told Sabow that McLane was “keen to speak with you.”

26 151. On March 21, 2023, Sabow met in California with one of the employees on
27 Stepanis’ team whom he had listed among his targets in his Project Colony.

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3 152. On March 21, 2023, Sabow provided an update to Paola Parsons (SVB UK’s Chief
4 Human Resources Officer). Sabow noted that he was taking calls from HSBC’s head of strategy,
5 global head of commercial banking, and head of investment bank regarding Project Colony.

6 153. On March 21, 2023, Sabow spoke with Guyett and Will McLane by phone
7 concerning Project Colony.

8 ~~106.~~ On or about March 21, 2023, Sabow met with Defendants Patel, Stepanis, Longo,
9 Hanlon, and Andersen to discuss the vision for Project Colony. During this meeting, Sabow
10 obtained, discussed, and validated the confidential information contained in, and upon which
11 Project Colony was based, and he also solicited the executives to leave SVB en masse. Sabow
12 took detailed notes of the meeting. Sabow, Hanlon and Patel participated in person in California.
13 The others joined by Zoom. At that time, all of the Individual Defendants were employees of the
14 Bridge Bank. ~~Sabow’s noted~~

15 154. During the call, Sabow explained the purpose of Project Colony and explained
16 what he needed Defendants Patel, Stepanis, Longo, Hanlon, and Andersen to do. In his opening,
17 Sabow noted that “[N]o one has any commitment by being here right now . . .” and he explained
18 that the situation with SVB “creates an amazing market opportunity . . . If we find out that a top 5
19 balance sheet with a strong reputation is acquiring the core of the Accelerator & Growth
20 portfolio, I want to be part of that platform; . . . if a no name regional bank acquires the team and
21 assets, I am going to build something to put them out of business, because our team members and
22 the market deserves better . . .” (Emphasis supplied). Sabow additionally explained what ~~HSBC-~~
23 ~~USA~~HUSI brought to the table and noted that ~~they~~the Defendants “Need to actually hire this at
24 size in order for this to be meaningful;” and he exhorted them, “Don’t nibble at this – show your
25 commitment; Every person you hire is going to bring accounts with it – can gain market share
26 fast; . . . going to be a big leap and need to be comfortable with this – this might be the best time
27 in history to enter this market; what are the limits on size and scale for this – quick decision

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3 making.” Sabow also noted that they “Need to make a splash with 30, 40, 50 people out of the
4 gate”

5 155. ~~107.~~ On or about March 21, 2023, ~~Katherine~~ Andersen prepared and saved notes
6 ~~of what appears to be a conversation with Sabow about~~ concerning her evaluation of Project
7 Colony and her input on business development and what staffing would be needed for lift-out and
8 support from HSBC, based on SVB’s confidential and proprietary information.

9 156. ~~108.~~ Andersen’s notes of March 21, 2023 include numerous pieces of SVB’s
10 confidential and proprietary information concerning SVB’s Life Science & Healthcare
11 Technology team’s deployment of SVB’s resources and expected Gross Profit and growth from
12 SVB’s customers. This confidential information included the total amount of SVB’s Life Science
13 & Healthcare Technology group’s commitments broken down by “Sponsor Finance / LevFin &
14 Corporate Banking” and venture debt and growth capital invested in categories of healthcare
15 technology clients. Andersen’s notes discuss how they need to “create followership” to get other
16 employees to come with them. ~~Upon information and belief~~ As First Citizens expects to establish
17 upon further investigation and discovery, Andersen shared this confidential and proprietary
18 information with Sabow.

19 157. ~~109.~~ Andersen’s notes reflect her thoughts on ~~modeling for~~ taking clients and
20 employees from SVB and what ~~they would need to get~~ was needed from the HSBC Entities to
21 handle ~~their~~ the projected volume of clients and loan commitments. Her notes specify that
22 “MISSION CRITICAL FOR SUCCESS” is “THE RIGHT PEOPLE FOR TALENT” and
23 “SUB-SECTOR SPECIALIZATION.” (Emphasis in original).

24 158. ~~110.~~ ~~Upon information and belief~~, Sabow also sought input from each of the ~~other~~
25 Individual Defendants regarding “Project Colony.” ~~Upon information and belief~~, Sabow spoke
26 with each Individual Defendant numerous times to refine and further develop the plan ~~throughout,~~
27 both before and after March ~~and April~~ 27, 2023. As explained above and below, these meetings

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3 were by telephone and in person, and they occurred while the Individual Defendants were ~~still~~
4 employees of the Bridge Bank, and then, after March 27, 2023, First Citizens.

5 Wednesday, March 22, 2023

6 159. On March 22, 2023, Sabow met in California with one of the employees whom he
7 had listed among his targets in Project Colony, an employee who later resigned to join Sabow and
8 Stepanis at HSBC Bank USA.

9 160. On March 22, 2023, Will McLane (HSBC Holdings' Head of Strategy) directed
10 Sungmahn Seo and Mary MacLeod to speak with Sabow regarding rolling out their future venture
11 debt business. Sungmahn Seo is Managing Director of Commercial Banking at HSBC Holdings.
12 Mary MacLeod is the Global Head of Strategy and Chief Commercial Officer, Global Banking
13 and Markets for one of the HSBC Entities.

14 161. A short while later, on March 22, 2023, Sabow informed Barry O'Byrne (HSBC
15 Holdings' Chief Executive of Global Commercial Banking) that he "just spoke to Will [McLane]
16 and he is connecting me with your strategy team to build out the model and approach in more
17 granular detail."

18 162. Later on March 22, 2023, Sabow told Will McLane, Sungmahn Seo and Mary
19 Macleod that some people whom he had targeted had resigned from the Bridge Bank, and "[w]e
20 need to move faster if we want to do this."

21 Thursday, March 23, 2023

22 163. On March 23, 2023, Sabow continued to draft and refine Project Colony.

23 164. Sabow contacted Barry O'Byrne (HSBC Holdings' Chief Executive of Global
24 Commercial Banking) to say, "We are seeing some material departures starting to happen at SVB.
25 I have a call with your strategy team on Sunday - I think we will need to move faster if we want to
26 make this happen. Please ping my mobile when you can (regardless of time in California)."

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3 165. Sabow updated his Tracking Spreadsheet to reflect who else indicated they were
4 “In.” Among those Sabow listed as “In” were Patel, Longo, Stepanis, and Hanlon. Kidder was
5 listed as an “Alternate.” Andersen was listed as one of his targets, but no status was provided.

6 166. On March 23, 2023, Sabow met in California with one of the employees on
7 Andersen’s team whom he had listed among his targets in Project Colony, an employee who later
8 resigned to join Sabow and Andersen at HSBC Bank USA.

9 167. On March 23, 2023, Sabow met in California with an employee [AC] whom he
10 had listed among his targets in Project Colony, an employee who later resigned to join Sabow and
11 Stepanis at HSBC Bank USA.

12 168. On March 23, 2023, Sabow met with Matt Perlow regarding Project Colony.
13 Perlow was an employee of the Bridge Bank whose title was Senior Vice President, Technology
14 Banking. After their meeting, Perlow prepared a draft email to Sabow. The draft email stated,
15 “Dave, it was great to see you” and “I appreciate the candidacy.” It further stated, “I appreciate
16 that you guys are needing to move quickly on bringing over a lot of people.” Perlow further noted
17 that he needed to be “very deliberate about which decision I decide to make next. . . . I’m not
18 fully ready to make a decision and commit. I absolutely recognize you have a deadline and I are
19 [sic] working to bring on 100 people, and I know that that’s no easy task.” Perlow ultimately
20 decided to join Sabow and the Individual Defendants at HSBC Bank USA, and he was among the
21 forty-plus employees who resigned on Easter Sunday.

22 169. On March 23, 2023, Michael Roberts asked Sabow if he was available “for a chat
23 around 10 EST today?”

24 170. On March 23, 2023, Mabel Rius, Senior Executive Vice President and Head of
25 Human Resources for HUSI and HSBC Bank USA reached out to Sabow and said, “Michael
26 [Roberts] gave me your contact” and “Are you open for a phone call or zoom call?”

27 171. Sabow sent Patel an email setting forth his “Initial idea” for staffing in the San
28 Francisco, New York and Boston areas.

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3 172. ~~111.~~ On March 23, 2023, ~~at least one of the Individual Defendants,~~ Stepanis, ~~had~~
4 ~~access to~~ accessed and printed on her personal printer a report (the “9-~~box~~Block Report”)
5 concerning approximately 830 employees. The 9-~~box~~Block Report is a confidential report used
6 by SVB to analyze, display, and compare employee work performance and potential. It is a talent
7 management tool that helps human resources and managers effectively identify leaders and
8 strategically prepare employees for future roles. It identifies employees by name, level,
9 performance rating, and potential. It contains notes specific to employees detailing their strengths
10 and experience- and it assigns them a numerical rating. Employees are ranked on a scale of 1-9,
11 with 9 being the best.

12 173. ~~112. First Citizens believes and therefore alleges that~~ Stepanis did not have any
13 legitimate business need to print the entire 9-~~box~~Block Report concerning 830 employees. ~~Upon~~
14 ~~information and belief,~~ Stepanis printed the 9-~~box~~Block Report at the same time she was
15 considering and planning her defection and the departure of dozens of SVB employees. ~~First~~
16 ~~Citizens believes and therefore alleges that~~ Stepanis used this information to ~~aid HSBC’s~~
17 ~~coordinated attack on~~ assist Sabow in shaping Project Colony and to aid the scheme against First
18 Citizens and its workforce that was carried out as described below.

19 174. ~~113.~~ The information contained within the 9-~~box~~Block Report is a compilation of
20 SVB’s business information that is secret and valuable because it is not generally known to, and
21 not capable of being readily ascertained through proper means by competitors such as HSBC who
22 can obtain economic value from the disclosure or use of the information.

23 ~~114. Each Individual Defendant understood that the plan was predicated upon confidential~~
24 ~~information that was not publicly available. Each Individual Defendant also understood that the~~
25 ~~plan required a simultaneous “lift-out” of dozens of key employees, the effect of which was~~
26 ~~intended to inflict serious damage upon the Bridge Bank’s (and any acquiring entity’s) ability to~~
27 ~~preserve its Technology & Healthcare Accelerator & Growth market share.~~

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2 ~~115. Upon information and belief, Sabow discussed or provided a copy of his “Project~~
3 ~~Colony” plan to numerous high ranking officers at the various HSBC entities that are Defendants~~
4 ~~in this case.~~

5
6 ~~116. HSBC approved Sabow’s “Project Colony” plan. Upon information and belief, it~~
7 ~~offered Sabow millions of dollars’ worth of compensation to motivate and incentivize him, and it~~
8 ~~has agreed to pay for his counsel and to indemnify him for any judgment obtained as a result of~~
9 ~~any litigation arising from the conduct described herein.~~

10
11 ~~117. Upon information and belief, when Sabow initially provided the plan to the various~~
12 ~~HSBC officers, it was redacted in part. Curiously, the redaction concealed some, but not all, of~~
13 ~~the confidential and proprietary information contained within the plan. By redacting portions of~~
14 ~~the plan, Sabow made plain to the HSBC officers that he was willfully and maliciously using~~
15 ~~SVB’s confidential and proprietary information. Upon information and belief, Sabow eventually~~
16 ~~provided unredacted copies of the plan to HSBC.~~

17
18 175. Information contained in the 9-Block Report printed by Stepanis was used by the
19 Defendants after March 27, 2023.

20 176. On March 23, 2023, Longo noted to Stepanis he had not heard from Sabow since
21 the meeting with the Pillars two days earlier, though he had not proactively reached out.

22 Friday, March 24, 2023

23 177. On March 24, 2023, Sabow continued to draft and refine Project Colony.

24 178. On March 24, 2023, Sabow met via Zoom with Mabel Rius, Senior Executive
25 Vice President and Head of Human Resources for HUSI and HSBC Bank USA. As First Citizens
26 expects to establish upon further investigation and discovery, Sabow and Rius discussed the
27 logistics of onboarding en masse the employees targeted through Project Colony.

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Saturday, March 25, 2023

179. On March 25, 2023, Sabow continued to draft and refine Project Colony.

180. On March 25, 2023, Sabow emailed a copy of the financial model underlying Project Colony to his personal email account.

Sunday, March 26, 2023

181. On March 26, 2023, Sabow continued to draft and refine Project Colony.

182. On March 26, 2023, Sabow sent a calendar meeting invitation titled “Follow-up Colony Discussion” to Longo, Andersen, Stepanis, Patel, and Hanlon.

183. On March 26, 2023, the FDIC announced that it had entered into a purchase and assumption agreement for all deposits and loans of the Bridge Bank by First Citizens. The purchase and assumption agreement provides that it is effective as of March 27, 2023.

I. First Citizens Acquires the Assets of SVB, and the Defendants Execute Project Colony

Monday, March 27, 2023

184. On March 27, 2023, all employees of the Bridge Bank who are relevant to the claims alleged herein—including Patel, Stepanis, Andersen, Hanlon, Longo and Kidder—became employees of First Citizens.

185. By March 27, 2023, Longo had already told Sabow he was “In.” Anticipating his soon-to-be new employment, on March 27 he googled “hsbc glassdoor.” (Glassdoor is a website where current and former employees anonymously review companies.)

186. On March 27, 2023, Sabow continued to draft and refine Project Colony. He also created and spent many hours working on a document he titled “HSBC Future State Document 3-27-23.docx.” The document was the planned vision of Project Colony, projected five years into the future. He described it as “HSBC Venture Banking Case Study – Five Years Later.” He listed the “unique things” HSBC did when it started its “U.S. venture-banking business” through

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3 Project Colony. He wrote: “HSBC assembled a team of 40 people hand-picked based on their
4 relationships, reputations, and functional expertise across the innovation ecosystem.” The
5 document sketched out a staffing model mirroring that which was contained in Project Colony.

6 187. On March 27, 2023, Sabow sent his Future State document to Sungmahn Seo,
7 Managing Director of Commercial Banking at HSBC Holdings, and he spoke to Seo by Zoom
8 about it.

9 Tuesday, March 28, 2023

10 188. On March 28, 2023, Sabow continued to draft and refine Project Colony, using
11 and including the SVB trade secrets and confidential information.

12 189. On March 28, 2023, Sabow sent a copy of his Future State document and Project
13 Colony, including all confidential information contained therein, to Erin Platts (SVB UK’s CEO)
14 and Paola Parsons (SVB UK’s Chief Human Resources Officer). He told them he was “sharing
15 some documents I have pulled together to support my discussions around the opportunity.” Platts
16 and Sabow then discussed the Future State document, Project Colony, and Platt’s comments for
17 improving or implementing Sabow’s plans.

18 Wednesday, March 29, 2023

19 190. On March 29, 2023, HSBC Bank USA sent Sabow various documents explaining
20 the benefits it offers to employees in the USA. Sabow provided these documents and a copy of
21 his Future State document to each of the Pillars.

22 191. On March 29, 2023, Sabow introduced Hanlon to Sungmahn Seo (Managing
23 Director of Commercial Banking at HSBC Holdings) and Jennifer Capasso (HUSI’s and HSBC
24 Bank USA’s Head of Embedded Banking & Platforms). He asked them to include Hanlon in a
25 discussion about the “US onboarding journey.” Sabow explained that he and Hanlon were “biased
26 to connecting sooner rather than later.” As First Citizens expects to establish upon further
27 investigation and discovery, the planned discussion was about onboarding the first “wave” of
28 First Citizens employees targeted for hiring as contemplated by Project Colony.

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3 192. On March 29, 2023, Paola Parsons (SVB UK’s Chief Human Resources Officer)
4 connected Sabow with SVB UK employee Tom Dearden. Sabow offered to send Project Colony
5 (which would necessarily include the confidential information contained therein) to Dearden via
6 WhatsApp. Dearden and Sabow then coordinated a time to talk. Sabow sent a copy of Project
7 Colony and his Future State document to Dearden.

8 193. On March 29, 2023, Sabow urged Michael Roberts to move Project Colony along
9 more quickly stating, “Pressure is building for leaders to make decisions.” As First Citizens
10 expects to establish upon further investigation and discovery, the “leaders” include the senior
11 executives of each of the HSBC Defendants who would decide to operationalize Project Colony.

12 Thursday, March 30, 2023

13 194. On March 30, 2023, HSBC Bank USA extended to Sabow an offer of employment
14 effective April 17, 2023. In his new role, Sabow would be reporting directly to Wyatt Crowell,
15 Senior Executive Vice President, Head of Commercial Banking. His employment offer included
16 substantial financial inducements to motivate and incentivize Sabow to execute and implement
17 Project Colony.

18 195. Sabow’s offer of employment was conditioned upon him agreeing that if and when
19 he leaves HSBC Bank USA, he will not solicit or hire anyone who works for any HSBC Entity
20 worldwide. The HSBC entities required Sabow—a California resident and employee—to agree to
21 this condition to protect their interests.

22 196. On March 30, 2023, Sabow worked on a spreadsheet which, among other things,
23 set forth the details of the compensation to be offered by HUSI to Andersen, Kidder, Patel,
24 Stepanis, Hanlon, Longo, and the SVB managing directors and venture capital relationship
25 managers. For each solicited target, Sabow specified how much they were currently making at
26 First Citizens in terms of salary, fixed pay, and variable pay. He also listed the “new”
27 compensation they would be offered at HUSI, which represented substantial increases.

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3 197. Sabow drafted a letter to another potential employer declining their employment
4 offer. Sabow explained that he was declining their offer because it was contrary to his vision,
5 which he described in part as follows: “I would run a newly combined Technology & Healthcare
6 group for [the potential employer]. . . . I would want the empowerment to design the org chart,
7 including bringing on key leaders to oversee Technology, Investor Coverage and Life Sciences. I
8 know you have a strong team in place so we would navigate this thoughtfully and with empathy. I
9 am fortunate to have some core talent ‘pillars’ who will follow me wherever I go for my next role
10 – these are individuals with a unique combination of followership and incredible market
11 relationships. They will require leadership positions and they will bring the best talent in the
12 industry with them.”

13 Friday, March 31, 2023

14 198. On March 31, 2023, Sabow continued to draft and refine Project Colony.

15 199. On March 31, 2023, Michael Roberts reached out to Sabow to ask if he had time
16 for a call. As First Citizens expects to establish upon further investigation and discovery, Roberts
17 and Sabow spoke later that day concerning the specifics of whether, how and when to execute the
18 Project Colony scheme.

19 200. On March 31, 2023, Stepanis searched for the following on Google: “negotiating
20 salary job offer” and “hsbc glass door.”

21 201. On March 31, 2023, Longo informed Stepanis that he was on the phone with
22 Michael Roberts (HSBC Holdings’ Group Managing Director and Executive Committee member,
23 HUSI’s Chairman, President and CEO; and HSBC Bank USA’s Chairman):

24 (Add) Longo 3/31/2023 2:33:32 PM
25 jesus. on the phone with HSBC CEO right now. he called me out of the blue
26 Melissa Stepanis MStepanis@svb.com +surprised 3/31/2023 2:33:40 PM

27 Stepanis wondered whether she had missed a call from Roberts and asked Longo, “Was it a
28 White Plains #?” Longo indicated it was. A few days later, Longo told Stepanis he was looking

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3 favorably upon the possibility of joining HSBC Bank USA:

4 (Add)
5 **Kevin Longo 4/3/2023 8:19:21 AM**
6 **White Plains looking better**

7
8 202. On March 31, 2023, while Longo was on the phone with Roberts, Stepanis told
9 Longo to ask Roberts for 100 offer letters and revised salaries that could be presented to First
10 Citizens’ employees.

11 203. On March 31, 2023, a First Citizens employee asked Longo, “can we get [S]abow
12 back?” Longo responded, “I keep texting him to please come back.” Longo intentionally misled
13 this employee to keep the impending raid a secret. Longo deliberately chose to put his interests
14 and the interests of HSBC USA, his future employer, ahead of First Citizens.

15 204. On March 31, 2023, Hanlon accessed the 9-Block Report. As noted above, the
16 9-Block Report, containing trade secrets and compilations of trade secrets belonging to First
17 Citizens is a confidential report used to analyze, display, and compare employee work
18 performance and potential. As First Citizens expects to establish upon further investigation and
19 discovery, Hanlon did not have any legitimate need to access and utilize this information at the
20 time she did so, and she misused the information contained in this spreadsheet in furtherance of
21 Project Colony, including the scheme to target and recruit certain First Citizens employees.

22 205. After March 27, 2023, in the days leading up to her departure, Hanlon repeatedly
23 accessed, modified or downloaded (dozens of times) spreadsheets and other documents
24 containing trade secrets and confidential information. In fact, some of them had the word
25 “Confidential” or “Do Not Share” in their titles. The contents of these spreadsheets align with
26 information used to develop and execute Project Colony:

- 27 a. Two of the files contain a compilation of detailed information about SVB
28 employees, including many of those specifically targeted by Project Colony. These

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spreadsheets specify the state where the employee lives, when the employee was hired, whether their role is exempt, their “Compensation Grade,” their total base pay, compensation ranges, the markets and sub-specialties in which they worked, their managers, and information about their incentive targets. Hanlon’s “team” members who followed her to HUSI are contained within these spreadsheets.

b. Another spreadsheet contains a compilation of data concerning hundreds of employees, including their 9-Block ratings, salaries, variable compensation information, bonus information (including how their bonuses are computed), their managers, when they were hired, where they are located, whether employees were slated to receive a promotion and their proposed new roles with supporting rationales.

c. Another spreadsheet listing 170 employees, many of the employees’ 9-Block ratings, their hire dates, job titles, tenure, management level, the division the employee is in, work location, work emails, and their managers in level down from the CEO.

d. Two other spreadsheets contain compensation information across all levels of relationship advisors and relationship service advisors, e.g., what SVB was paying someone with the job title “Senior Relationship Advisor,” including low, midpoint, and high ranges for salaries across different geographic tiers.

e. Yet another spreadsheet contains 9-Block information for 167 relationship advisors across SVB. Notably, it includes two of the three employees who left to join Hanlon’s team at HSBC, both of whom were rated at the highest level, “Block 9 - Leading Edge.”

206. After March 27, 2023, in the days leading up to her departure, Andersen repeatedly accessed, modified or downloaded (dozens of times) spreadsheets and other documents

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3 containing confidential information. The contents of these spreadsheets align with information
4 used to develop and execute Project Colony:

- 5 a. One spreadsheet shows information for approximately 50 employees, including
6 their names, job titles, tenure, management level, their managers, their executive
7 group (“Tech & Healthcare Banking” for all), their respective division (a mix of
8 “Life Sciences” and “Healthcare Corporate Banking”), their department, their
9 business unit, their location, their salaries and total cash compensation, whether
10 they were a “Franchise Player,” a final “Retention Score,” and the status of their
11 retention (with notes like “SENT - 3.31.23”).
- 12 b. One slideshow contains a comprehensive overview of SVB’s Life Sciences and
13 Healthcare (“LSHC”) team as it existed in August 2022, complete with statistics
14 about the team and strategy for building the team and the team’s capacity over
15 time.
- 16 c. Another spreadsheet contains a list of hundreds of clients, broken down by team,
17 borrower type, loan balances, whether the client also had other credit products that
18 SVB offered, and loan statistics.
- 19 d. Yet another spreadsheet contains information about thousands of LSHC clients,
20 including how long they had been an SVB client; what “tier” they were in (e.g.,
21 gold, silver, bronze); the team member responsible for servicing their accounts; the
22 subindustries in which they worked; whether they were publicly or privately
23 owned; their core loan balances; deposit balances; and investment balances.
- 24 e. Another slideshow contains an analysis of the Life Sciences and Healthcare team’s
25 Accelerator Group (“AG”) sector, including team members; an overview of client
26 statistics, including market shares of relevant target markets; and a geographic
27 breakdown of clients.

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3 207. After March 27, 2023, in the days leading up to his departure, Longo repeatedly
4 accessed and modified (fifteen times) a spreadsheet containing confidential information that
5 aligns with information used to develop and execute Project Colony. For each of the members on
6 his team, it contains their hire dates, positions, salaries, bonuses, and data underlying their
7 bonuses, as well as aggregate statistics about loan performance (broken down by loan type,
8 region, and loan growth numbers for the members of his team).

9 208. As First Citizens expects to establish upon further investigation and discovery,
10 Hanlon, Andersen, and Longo did not have any legitimate need to access and utilize this
11 information at the time they did so, and they misused the information in furtherance of Project
12 Colony. As First Citizens also expects to establish upon further investigation and discovery,
13 Hanlon, Andersen, and Longo retained information contained in these documents upon their
14 departure and have used it in their capacity as employees and agents of the HSBC Entities to
15 compete unfairly with First Citizens.

16 Saturday, April 1, 2023

17 209. On April 1, 2023, Sabow spent several hours further drafting and refining a
18 spreadsheet detailing potential compensation for Andersen, Kidder, Patel, Stepanis, Hanlon,
19 Longo, and the SVB managing directors and venture capital relationship managers. While doing
20 so, he toggled back and forth between it and the Project Colony plan. As First Citizens expects to
21 establish upon further investigation and discovery, Sabow was using the confidential information
22 within and upon which Project Colony was based to further shape the compensation packages to
23 offer to First Citizens' employees.

24 Sunday, April 2, 2023

25 210. On April 2, 2023, Andersen saved a spreadsheet containing notes regarding (i) the
26 financial terms of an offer that she received or expected to receive from HUSI/HSBC Bank USA,
27 (ii) the financial terms of offers certain members of her team received or were going to receive,
28 and (iii) specific matters she discussed or intended to discuss with Michael Roberts. Regarding

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3 the latter, Andersen’s notes concerning her discussion with Roberts state: “curious to hear how
4 you’re thinking about this.” She also wrote: “I can promise followership.”

5 Monday, April 3, 2023

6 211. On April 3, 2023, Sabow and Kidder spoke by phone. As First Citizens expects to
7 establish upon further investigation and discovery, Sabow and Kidder spoke about Project
8 Colony, including what employees Kidder could and would recruit and concerning the specifics
9 of whether, how and when to execute the Project Colony scheme.

10 212. On April 3, 2023, Sabow flew from San Francisco to Newark, New Jersey in order
11 to meet with executives from HUSI and HSBC Bank USA the next day in New York.

12 Tuesday, April 4, 2023

13 213. On April 4, 2023, Sabow told Erin Platts (SVB UK’s CEO) that he was expecting
14 to discuss the specifics of HSBC’s investment in Project Colony later that day.

15 214. On April 4, 2023, Sabow met with Michael Roberts (HUSI’s Chairman of the
16 Board of Directors, President and CEO), Mabel Rius (Senior Executive Vice President and Head
17 of Human Resources for HUSI and HSBC Bank USA), Wyatt Crowell (HSBC Bank USA’s
18 Senior Executive Vice President, Head of Commercial Banking) and Mauricio Rose (HSBC Bank
19 USA’s Head of Performance & Rewards USA & Americas) in person. As First Citizens expects
20 to establish upon further investigation and discovery, Sabow, Roberts, Rius, Crowell, and Rose
21 spoke about ‘Project Colony’ during their meetings, including the confidential information on
22 which it was predicated and the specifics of whether, how and when to execute the Project
23 Colony scheme.

24 215. On April 4, 2023, Sabow created and worked on a spreadsheet detailing his
25 staffing model for Project Colony. While working on this spreadsheet, Sabow referred to two
26 other spreadsheets: (1) the spreadsheet detailing potential compensation for Andersen, Kidder,
27 Patel, Stepanis, Hanlon, Longo, and the SVB managing directors and venture capital relationship
28 managers, and (2) a spreadsheet containing calculations for Project Colony. The staffing model

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3 tethers together the names, positions, markets, and salaries of the employees who were targeted
4 because of their skills and business relationships. This compilation of information was not known
5 or readily ascertainable to others outside of First Citizens. Sabow, HUSI, and HSBC Bank USA
6 put together a staffing plan using the confidential, proprietary and trade secret information
7 described in this section. By using this information, HSBC Bank USA and HUSI were able to
8 offer compensation packages that enabled them to entice targeted employees to leave First
9 Citizens while still leaving room to generate profits off the business it was lifting out of First
10 Citizens.

11 216. On April 4, 2023, another First Citizens employee told Longo she believed Sabow
12 was not coming back and asked if he (Sabow) was going to HSBC. Longo said he had “no clue.”
13 Longo intentionally misled this employee to keep the impending raid a secret. Longo deliberately
14 chose to put his interests and the interests of HSBC USA, his future employer, ahead of First
15 Citizens.

16 Wednesday, April 5, 2023

17 217. On April 5, 2023, Paola Parsons (SVB UK’s Chief Human Resources Officer) sent
18 Sabow a spreadsheet dated April 5, 2023 containing compensation proposals. As First Citizens
19 expects to establish upon further investigation and discovery, this spreadsheet contains proposed
20 compensation data for the employees targeted by Project Colony that was created and shaped
21 using First Citizens’ confidential information.

22 218. On April 5, 2023, Sabow sent himself a spreadsheet dated April 4, 2023 containing
23 general compensation metrics.” He also sent it to Mabel Rius (Senior Executive Vice President
24 and Head of Human Resources for HUSI and HSBC Bank USA), Mauricio Rose (HSBC Bank
25 USA’s Head of Performance & Rewards USA & Americas), Dianna Hollin (Head of Executive
26 Recruitment for HSBC Bank USA), Catherine Twarowski (HUSI/HSBC Bank USA Human
27 Resources) and others at HUSI and HSBC Bank USA. This spreadsheet contains a list of
28 compensation for various positions (managing directors for venture & growth, directors, vice

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3 presidents, and venture capital relationship managers), including how much employees in those
4 positions were currently earning in total compensation, broken down by salary and variable pay,
5 and projecting payments made to people in those positions in the coming years. This compilation
6 of information is not known or readily ascertainable to others outside of First Citizens. Sabow
7 discussed this spreadsheet with Mabel Rius, Mauricio Rose, Dianna Hollin, and Catherine
8 Twarowski during a Zoom call with the subject “Org Chart Walk Through.”

9 219. On April 5, 2023, Sabow and Patel spoke by Zoom. During the call, Sabow
10 accessed the spreadsheet detailing his staffing model for Project Colony. As First Citizens
11 expects to establish upon further investigation and discovery, Sabow and Patel discussed
12 operationalizing Project Colony and an offer for her, the other Pillars, and the other targeted
13 employees to join HSBC Bank USA.

14 220. ~~118. Before and after receiving HSBC’s blessing, Sabow set out to execute~~
15 “Project Colony.” To that end ~~As demonstrated above,~~ Sabow created various spreadsheets
16 containing a compilation of valuable, non-public information that is not readily ascertainable by
17 SVB’s or First Citizens’ competitors including: (i) the identities, names, positions, and salaries of
18 the Defendant executives and more than three dozen of their subordinates that Sabow had
19 identified as “key professionals,” as well as their locations and the markets they cover; (ii)
20 “preliminary financial model leveraging [Sabow’s] key assumptions” which were predicated on
21 specific dollar amounts for SVB’s loan portfolios with implied revenue and growth; (iii) an
22 analysis of SVB’s loans for its US Accelerator & Growth Group with “compromised
23 institutions;” (iv) tables reflecting SVB’s “win rate” against its core competitors segmented by
24 deal size and numbers of loans; (v) data underlying analysis of SVB’s “win rate”; (vi) SVB
25 practice overview notes, including numbers of clients ranked by value to SVB, total value of
26 loans, total client funds, total value of deposits, total revenue, total pre-tax income, total dollar
27 amount of core fees, total number of clients, total percentage of return on equity, percentage of
28 market share, headcount of Life Science employees, and total headcount of employees in

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3 relationship management, business development, and credit solutions groups. As First Citizens
4 expects to establish upon further investigation and discovery, Sabow shared these spreadsheets
5 with the Entities and the Individual Defendants.

6 ~~119. Throughout March and April 2023, Sabow spoke with the Individual Defendants~~
7 ~~numerous times by telephone, video and in person. He met with some of them in California.~~

8 ~~120. Upon information and belief, during these meetings, Sabow obtained, discussed and~~
9 ~~validated the above-described confidential information, and he also solicited the executives to~~
10 ~~leave SVB en masse.~~

11 ~~121. Upon information and belief, Sabow with HSBC's blessing, aid and~~
12 ~~encouragement utilized his knowledge of the executives' compensation to offer them increases~~
13 ~~in salary and other compensation worth many hundreds of thousands of dollars.~~

14 ~~122. Upon information and belief, Sabow with HSBC's blessing, aid and~~
15 ~~encouragement informed the executives that HSBC has agreed to pay for their counsel and to~~
16 ~~indemnify them for any judgment obtained as a result of any litigation arising from the conduct~~
17 ~~described herein.~~

18 ~~123. Economically motivated and satisfied that they were insulated from any adverse~~
19 ~~economic consequences, Sabow and the executives finalized their list of "key" professionals to~~
20 ~~target in the first "wave." Sabow and the executives met with, solicited and recruited the targeted~~
21 ~~"key" professionals laying out their plan for a mass resignation designed to maximize the~~
22 ~~prospect for moving clients and revenues from First Citizens to HSBC.~~

23
24
25 Thursday, April 6, 2023

26 221. On April 6, 2023, Stepanis called one of the First Citizens employees on her team.
27 This employee was one of the employees expressly targeted in Project Colony and as First
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3 Citizens expects to establish upon further investigation and discovery, this call related to Project
4 Colony. As explained below, this employee, along with dozens of other First Citizens’ employees
5 resigned to join HSBC Bank USA.

6 222. On April 6, 2023, Sabow wrote to Mabel Rius (Senior Executive Vice President
7 and Head of Human Resources for HUSI and HSBC Bank USA), Dianna Hollin (Head of
8 Executive Recruitment for HSBC Bank USA) and Mauricio Rose (HSBC Bank USA’s Head of
9 Performance & Rewards USA & Americas) and said, “Hopefully the discussions with the pillars
10 are going well today.” Rius responded, “Getting the engine ready....” Sabow replied, “Whoo
11 hoo!” As First Citizens expects to establish upon further investigation and discovery, Rius, Hollin
12 and Rose were making offers to the Pillars on this date, the content and fact of which were based
13 on and enabled by Project Colony, which was devised by Sabow using First Citizens’ confidential
14 information detailed above.

15 223. On April 6, 2023, a First Citizens Senior Market Manager sent an email to Kidder
16 (his boss) who at the time was the Head of Loan Administration. The email sought to alert Kidder
17 about existing competitive threats to the bank in the wake of SVB’s failure. The email expressed
18 concern about a potentially escalating “run on the bank’s talent” and noted that “[e]ach departure
19 adds to the snowball of the momentum towards leaving.” It specifically named two competitors
20 (neither of which were HSBC) who were rumored to be looking to hire First Citizens’ former
21 SVB employees. Despite receiving this report because of his status as a senior executive charged
22 with the duty of stabilizing matters, Kidder remained silent. He did not respond or tell anyone that
23 he, the other Pillars, Sabow, and HSBC were plotting to turn that “snowball” into an avalanche by
24 imminently diverting more than forty of the bank’s key employees. Kidder deliberately chose to
25 put his interests and the interests of HSBC US, his future employer, ahead of First Citizens, and
26 he plowed ahead with Project Colony.

27 224. The email to Kidder also stated that “There is confidence around [the bank’s Chief
28 Banking Officer] and the idea of bringing back Sabow.” Kidder did not correct this

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3 misimpression; he did not respond or tell anyone that he knew Sabow was not open to the idea of
4 returning to the bank.

5 Good Friday, April 7, 2023

6 225. On Good Friday, April 7, 2023, Sabow provided an update to Michael Roberts
7 (HSBC Holdings’ Group Managing Director and Executive Committee member, HUSI’s
8 Chairman, President and CEO; and HSBC Bank USA’s Chairman) and Wyatt Crowell (HSBC
9 Bank USA’s Senior Executive Vice President, Head of Commercial Banking). Sabow informed
10 them that he and Mabel Rius and her team were “hitting the phones hard” calling the targeted
11 First Citizens employees regarding proposed compensation packages.

12 Saturday, April 8, 2023

13 226. On April 8, 2023, Sabow asked Hanlon, “can you be my partner in crime to design
14 the first week and ‘shadow ops’ prior to the go live?” He further requested her thoughts on
15 building out an agenda, training, and operational readiness to help prepare for the launch of the
16 new business.

17 ~~124. The plan for “wave 1” culminated over Easter weekend, April 7-9, 2023. During the~~
18 ~~weekend, Sabow and the executives worked with HSBC to interview and extend~~ Also on April 8,
19 2023, Michael Roberts—together with Sabow and the Pillars—was again involved in the
20 execution of Project Colony by interviewing and extending offers to dozens of First Citizens’
21 (formerly SVB) employees. Dividing them into two groups, ~~Michael Roberts (CEO of HSBC~~
22 ~~Bank USA) held~~ led a Zoom call with the targeted “key professionals” to persuade them to leave
23 First Citizens together and join HSBC. ~~He explained that~~ Bank USA. Roberts’ first call was
24 with Sabow, Patel, Kidder and the employees on Patel’s and Kidder’s teams. Roberts’ second call
25 was with Sabow, Andersen, Stepanis and the employees on Andersen’s and Stepanis’ teams. As
26 First Citizens expects to establish upon further investigation and discovery, on and/or after March
27 28, 2023, each of the Individual Defendants recruited one or more of the targeted First Citizens
28 employees to attend the call with Roberts and to leave First Citizens.

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3 227. ~~they~~ During each call, the employees were told they all were receiving job offers
4 with significant financial inducements that had to be accepted within hours. ~~The job offers were~~
5 ~~fashioned using the confidential, proprietary and trade secret information described above. By~~
6 ~~using this information, HSBC was able to craft right-sized compensation packages that enabled it~~
7 ~~to entice the targeted employees to leave First Citizens while still leaving room to generate a tidy~~
8 ~~profit off the business it was lifting out of First Citizens.~~

9 228. Sabow celebrated the success of each call telling Michael Roberts and Wyatt
10 Crowell, as executives of HSBC Holdings, HSBC Bank USA, and HUSI: “Really great call this
11 morning – big thanks to both of you for making the time. I think the message was perfectly on
12 point and people are excited.” Sabow also reported that he “connected with Noel” Quinn, CEO
13 of HSBC Holdings, who wanted “to do a quick ‘welcome’ via Zoom to the new hires on
14 Wednesday evening UK time.”

15 *Easter Sunday, April 9, 2023*

16 229. On Easter Sunday, April 9, 2023, Roberts asked for a status update. Mabel Rius
17 said, “We have a team gathering in one hour and we will report then . . . Trying to get everybody
18 to start asap.” Sabow added that he “just pinged the team” and it “seems we are likely to have a
19 100% conversion rate.”

20 230. ~~125-~~At the direction of HUSI and HSBC and Sabow Bank USA, around ~~9:00-~~
21 ~~pm~~ 9:00 p.m. Eastern time on Easter Sunday, more than forty employees (including the ~~other~~
22 Individual Defendants) began sending notice of their resignations, effective immediately. In less
23 than half an hour, they were gone. Many of their resignation emails were nearly identical. ~~Upon~~
24 ~~information and belief, HSBC drafted the~~ As First Citizens expects to establish upon further
25 investigation and discovery, HUSI and/or HSBC Bank USA provided a template for the
26 employees to use for their resignation emails ~~for them.~~

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3 231. Michael Roberts sent a welcome message to all of the employees saying, “While I
4 know tonight has probably been an emotional one, I wanted to personally welcome you to the
5 HSBC family.”

6 Monday, April 10, 2023

7 232. Sabow confirmed the successful lift-out the next day in a report to Paola Parsons
8 (SVB UK’s Chief Human Resources Officer).

9 ~~126. Sabow and the other Individual Defendants used their unique knowledge of~~
10 ~~non-publicly available information concerning the employees they spirited away. For example~~In
11 sum, the Individual Defendants identified the employees essential to ~~taking~~ the business ~~HSBC~~
12 ~~aimed to steal, and upon information and belief, they used their knowledge of the employees’~~
13 ~~talents, skillsets, business relationships, job responsibilities,~~ they aimed to take and carried out
14 the scheme over a holiday weekend when First Citizens would be unable to respond. Through
15 this, they attempted to carry out Sabow’s plan to put the acquirer of the Bridge Bank “out of
16 business.”

17 **J. Impact of Mass Resignations**

18 233. Sabow and ~~compensation to enable HSBC to carry out its coordinated Easter~~
19 ~~weekend attack. The executives also~~ the individual Defendants set their sights on employees who
20 have had access to and familiarity with SVB’s trade secrets and confidential information, such as
21 its lending and pricing strategies, deal lists, deal structuring strategies, research, business plans,
22 technology, and finances, as well as SVB’s customers’ and prospective customers’ financial
23 information, points of contact information, borrowing practices, purchasing habits, service
24 requirements, prices, and costs, among other things.

25 234. 127. Not surprisingly, and perhaps by design, some of the employees took more
26 than they should have on their way out the door. For example, ~~one employee~~ Perlow (who
27 followed the Individual Defendants to HSBC Bank USA) emailed himself (to his personal email
28 address) a spreadsheet on Monday, April 10, 2023, the day after the Easter Sunday raid (i.e., the

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3 day after ~~the employee~~ Perlow resigned from First Citizens). The spreadsheet contained an array
4 of confidential and trade secret information including: (i) names of more than 100 clients and
5 prospects; (ii) notes regarding the content of his interactions with the clients and prospects
6 concerning facts pertinent to their financial needs, in some instances related to specific
7 transactions; (iii) value of client deposits; (iv) investment balances; (v) dollar amount of loans
8 and credit lines; (vi) segmentation of clients/prospect by geographic region; (vii) classification of
9 clients based on value, importance and level of engagement with the business; and (viii) dates of
10 last call with the client/prospects. Accompanying this spreadsheet, ~~the employee~~ Perlow also
11 emailed himself a list of the clients’/prospects’ names and email addresses. First Citizens
12 informed Defendants through their counsel about this theft in May 2023, but Defendants never
13 responded and have done nothing to address it. The documents have not been returned to First
14 Citizens.

15 ~~128. The above mentioned confidential information used by Sabow, the executives and~~
16 ~~HSBC provided them with an unfair competitive advantage. Likewise, the simultaneous lift-out~~
17 ~~from First Citizens of approximately forty “key professionals,” which was accomplished with the~~
18 ~~aid of the executives’ breach of their fiduciary duties and duties of loyalty also provided~~
19 ~~Defendants with an unfair competitive advantage.—~~

20
21 235. ~~129.~~ The unfair competitive advantage seized by Defendants enabled them to
22 short-circuit the time normally required by a market entrant to: (i) identify a target market and to
23 validate the viability and potential profitability of a business plan to enter that market; (ii) develop
24 comprehensive financial projections that forecast revenues, costs and expenses associated with a
25 business plan, including financial modeling of estimated sales volumes, production costs,
26 operating expenses and anticipated cashflow; (iii) formulate the operational efficiency needed to
27 streamline processes, minimize waste, and reduce costs; (v) identify and assess potential risks
28 that could impact the profitability of the business plan, such as evaluating market risks,

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3 competitive risks, regulatory risks, financial risks, and operational risks; (vi) develop risk
4 mitigation strategies to minimize the impact of pertinent risks and protect profitability. By seizing
5 these unfair advantages, the HSBC ~~was~~ Entities were able to expedite the timeframe ~~within which~~
6 ~~it could~~ it normally takes to enter this market, ~~which~~ a market that itself has an incredibly high
7 barrier to entry, ~~a fact acknowledged by Sabow in his written “Project Colony” plan.~~

8 236. ~~130.~~ The HSBC Entities further secured an unfair advantage because the
9 employees ~~are delivering~~ delivered a readymade business without having to build it from the
10 ground up. ~~The employees already have data to know which clients and services are most~~
11 ~~profitable and to know what their funding cycle and needs are.~~ Consequently, HUSI and HSBC
12 Bank USA can target ~~its~~ their products, services and marketing to a preselected elite group of
13 clients without the need to spend the significant amount of time, money and resources that are
14 normally required.

15 237. ~~131.~~ There can be no mistake that Sabow understood he was talking about taking
16 business away from the entity that would acquire the Bridge Bank’s assets (i.e., First Citizens). In
17 his “Project Colony” plan he stated: “re-taking this position of dominance will be core to the
18 strategic thesis of any ultimate acquiror of SVB’s U.S. portfolio.” He continued: “If a
19 ‘super-regional’ or institution outside of the top 10 U.S. banks acquires the assets of SVB US,
20 they will have an inherent governor on their growth and market share in the near term.”

21 ~~132. Sabow urged HSBC to move quickly: “If the strategy described in this “Project~~
22 ~~Colony” plan] is of interest, we need to move quickly to secure the six identified core leaders in~~
23 ~~the U.S. that will become the pillars for this US venture banking business.” (boldface and~~
24 ~~italics emphasis in original.~~

25 238. ~~133.~~ On April 11, 2023, just sixteen days after First Citizens acquired the Bridge
26 Bank, HSBC Bank USA announced ~~that it~~ they had hired a slate of SVB executives from First
27 Citizens. See

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3 <https://www.about.us.hsbc.com/newsroom/press-releases/hsbc-usa-hires-silicon-valley-veterans-t>
4 [o-lead-new-dedicated-offering-for-innovation-economy](#) ([last visited February 7, 2024](#)). These
5 were the very same executives who had resigned *en masse* with their subordinates on April 9,
6 2023. In ~~HSBC's own~~[the words of HSBC Bank USA](#), the group was “led by David Sabow.” *Id.*
7 Sabow was the former Head of SVB’s Life Sciences and Technology Banking. In this position,
8 Sabow had unique and extensive knowledge of SVB’s proprietary information and trade secrets,
9 and he had extensive knowledge about and relationships with SVB’s workforce. Sabow was
10 uniquely situated to exploit and undermine SVB’s significant investments of time, money and
11 resources in recruiting, training and developing its workforce.

12 [239.](#) ~~134.~~ On April 28, 2023, First Citizens, by and through its counsel, sent letters to
13 [Sabow and](#) each and every one of the Individual Defendants. True and correct copies of the
14 letters, not including their attachments, are ~~attached as Exhibits A~~ [filed with this Court as ECF](#)
15 [Nos. 1-1](#) through ~~G1-7~~ and incorporated as if set forth in full herein.

16 [240.](#) ~~135.~~ Each letter outlined ~~each of~~ [Sabow’s and](#) the Individual Defendants’
17 obligations not to use confidential information they acquired from SVB/First Citizens (the
18 “Company”) and not to compete unfairly with the Company.

19 [241.](#) ~~136.~~ Each letter expressed the Company’s concern that [Sabow and](#) each Individual
20 Defendant has violated his/her obligations.

21 [242.](#) ~~137.~~ Each letter contained four specific demands that the Defendant receiving the
22 letter: (i) immediately purge and return all confidential information relating to the Company’s
23 business; (ii) immediately cease and desist from using or disclosing the Company’s confidential
24 information and provide a written assurance that s/he will refrain from such use and disclosure;
25 (iii) provide a list of each and every employee of the Company with whom s/he communicated
26 concerning her/his actual and/or potential departure from the Company; and (iv) provide a written
27 assurance that s/he will take steps necessary to ensure that all evidence will be preserved. *See*
28 ~~Exhibits A~~ [ECF Nos. 1-1](#) through ~~G1-7~~.

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3 243. ~~138.~~ To this date, except to state that evidence will be preserved, ~~not~~ neither Sabow
4 nor any one of the Individual Defendants has provided the requested written information or
5 assurances. To be clear, Sabow’s and the Individual Defendants’ counsel, who also represents the
6 HSBC ~~Bank USA, N.A. entities~~, communicated with ~~Plaintiff’s~~ First Citizens’ counsel and stated
7 that no confidential information had been misappropriated. ~~Plaintiff’s~~ First Citizens’ counsel
8 requested a written response to the four specific demands in ~~Exhibits A-ECF Nos. 1-1~~ through ~~G-~~
9 1-7. To date, no such written response has been provided (except to state that evidence will be
10 preserved). Instead, Sabow and the Individual Defendants have taken an “I only intend to address
11 that which you can specifically prove” approach to First Citizens’ demands, and they have asked
12 First Citizens to “inform [them] if [First Citizens is] aware of any specific confidential
13 information that First Citizens believes was disclosed to HSBC and which employee First
14 Citizens believes made that disclosure.” None of the confidential, proprietary, and confidential
15 information disclosed above has been returned.

16 244. Each Individual Defendant and Sabow understood that Project Colony was
17 predicated upon valuable, confidential information that was not publicly available.

18 245. Each Individual Defendant and Sabow understood that Project Colony required a
19 simultaneous “lift-out” of dozens of key employees, the effect of which was intended to inflict
20 serious damage upon First Citizens’ ability to preserve its Technology & Healthcare Accelerator
21 & Growth market share.

22 **K. The Defendants’ Actions Have Caused Significant Harm to First Citizens**

23 246. ~~139.~~ By and through their wrongful conduct described throughout this Complaint,
24 the Defendants have caused significant harm to First Citizens.

25 247. ~~140.~~ As explained above, the FDIC’s role in the face of a bank failure is to bring
26 calm and stability to the situation. One way it does that is to liquidate the assets of a failed bank
27 and sell them to a healthy bank.

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3 248. ~~141.~~ When one bank buys another bank, it typically does so in order to expand its
4 operations and increase its profitability. Increased profitability comes from:

- 5 a. Increased market share, i.e., gaining access to new customers and markets, which
6 leads to increased revenue and profitability;
- 7 b. Cost savings, e.g., streamlining the two banks' operations through elimination of
8 duplicate systems and processes, and consolidating physical locations; and
- 9 c. Cross-selling opportunities, e.g., gaining access to new customers, products and
10 services that the acquiring bank did not previously have, and by offering new
11 customers, products and services to the acquired bank that it previously lacked.

12 249. ~~142.~~ In bidding for SVB's assets, First Citizens had a reasonable expectation that it
13 would acquire the assets it purchased free from unlawful interference. ~~HSBC, with the assistance~~
14 ~~of the Individual~~ The Defendants, deliberately undermined the value of the assets acquired by
15 First Citizens.

16 250. ~~143.~~ In addition to causing economic harm and loss, the Defendants have eroded
17 the integrity of the auction process and diminished the trust that future buyers will have in the
18 fairness and reliability of such transaction.

19 251. ~~144.~~ By poaching the targeted executives and "key
20 professionals"—~~particularly both~~ through the use of confidential, proprietary and trade secret
21 information—~~HSBC, and the egregious breaches of other duties—the Defendants~~ unfairly
22 replicated and took a large cross section of SVB's operational knowledge and unlawfully
23 acquired an unfair competitive advantage.

24 252. ~~145.~~ When banks fail, their employees face uncertainty and potential job loss. By
25 poaching employees here and seeking to have them provide confidential, proprietary and trade
26 secret information, ~~HSBC~~ the Defendants exacerbated this uncertainty and contributed to the
27 disruption of the job market.

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3 253. ~~146.~~ The Defendants’ actions were not only unethical, but they distort the fairness
4 of the auction process, serve to discourage future buyers, and undermine the stability of the
5 banking industry.

6 ~~147. In sum, the Defendants’ conduct represents an egregious breach of confidentiality~~
7 ~~and misuse of insider knowledge. The massive resignation of employees orchestrated by HSBC~~
8 ~~and aided by the Individual Defendants disrupted First Citizens’ business operations while~~
9 ~~eroding client trust. By cherry-picking key personnel who had access to and knowledge of First~~
10 ~~Citizens’ confidential and proprietary information concerning SVB’s operations, relationships,~~
11 ~~strategies, and other confidential information, HSBC has acquired an unfair competitive~~
12 ~~advantage, inflicted substantial damages upon First Citizens, and compromised the public~~
13 ~~interest.~~

14
15 254. ~~148.~~ First Citizens is entitled to damages that include compensation for the
16 diminution of the value of the business it acquired which is traceable to the Defendants’ wrongful
17 conduct, including such damages as are reflected by lost profits and expenses incurred. It is also
18 entitled to recover amounts (without seeking a double recovery) that reflect the unjust enrichment
19 of the Defendants and/or a reasonable royalty.

20 255. ~~149.~~ The fact that the Defendants’ actions harm the public interest and undermine
21 the public trust only makes the conduct at issue that much more reprehensible. In addition to all
22 damages requested herein, punitive damages of a significant magnitude are warranted to
23 discourage the HSBC Entities and others from undermining and destabilizing the FDIC’s
24 resolution and receivership process for the purpose of enriching themselves at the expense of
25 their competitors.

26 ~~150. Defendants’ naked ambitions cannot justify their actions. Sabow’s own words are~~
27 ~~that it is his “ambition” “to build a market leading venture banking platform globally and my best~~

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2 ~~team members share this ambition.” But taking property that does not rightfully belong to you is~~
3 ~~not building a business; that is simply theft.~~

4
5 256. ~~151.~~ Aside from ambitious plans, Sabow touted the merits of his ~~“Project Colony”~~
6 ~~plan~~ by telling the other Defendants that the business they aimed to ~~steal~~take would yield
7 immediate and extraordinary profits. Misusing the data described above, Sabow projected that
8 ~~“Project Colony”~~ would generate more than \$66 million of direct profit contribution in its first
9 year alone. He further projected that it would generate direct profit contribution in years two
10 through five amounting to more than \$278 million, \$541 million, \$868 million, and \$1.275 billion
11 respectively.

12 257. ~~152.~~ There can be no doubt—a ~~massive~~substantial damages award is warranted in
13 this case. Just based on Sabow’s projections, that amount should be at least \$1 billion.

14 VII. CAUSES OF ACTION

15 A. FIRST CAUSE OF ACTION

16 *(Breach of Contract – Confidentiality, Assignment, Non-Solicitation, and Unauthorized*
17 *Competition Obligations – Against Sabow, Patel, Stepanis, Longo, and Hanlon)*

18 258. ~~153. Plaintiff~~First Citizens repeats, realleges, and incorporates paragraphs 1
19 through ~~152~~260 as if set forth ~~fully~~in full herein.

20 259. On March 10, 2023, SVB was closed by the California Department of Financial
21 Protection and Innovation, which appointed the FDIC as receiver for SVB
22 (“FDIC-Receiver-SVB”).

23 260. On March 10, 2023, FDIC-Receiver-SVB entered into a “Transfer Agreement”
24 through which it transferred substantially all of the deposits and assets to the Bridge Bank.

25 261. Under section 2.03(a) of the Transfer Agreement, among the assets that were
26 transferred from the FDIC-Receiver-SVB to the Bridge Bank were SVB’s ongoing operations,
27 including its Technology and Healthcare Banking group and all of SVB’s intellectual property
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3 related thereto, including trade secrets and confidential and proprietary information (the
4 “Intellectual Property”)—as well as all agreements that:

- 5 a. protect the Intellectual Property, such as the “Confidential Information and
6 Invention Assignment Agreements for Employees” filed with the Court as ECF
7 Nos. 1-8 through 1-12 as (collectively, the “Confidentiality Agreements”). The
8 Confidentiality Agreements are *incorporated by reference as if set forth in full*
9 herein; and
10 b. preserve the staff to continue SVB’s ongoing banking operations, such as the
11 Confidentiality Agreements and their non-solicitation covenants.

12 262. On March 27, 2023, the Bridge Bank was closed by the Office of the Comptroller
13 of the Currency, which appointed the FDIC to serve as receiver for the Bridge Bank.

14 263. The position of the FDIC as receiver for the Bridge Bank (“FDIC-Receiver-Bridge
15 Bank”) is that the Confidentiality Agreements were transferred to the Bridge Bank. See ECF No.
16 53-1.

17 264. Also on March 27, 2023, the FDIC-Receiver-Bridge Bank entered into a “Purchase
18 and Assumption Agreement All Deposits” (“P&A Agreement”) through which it transferred
19 substantially all deposits and assets of the Bridge Bank to First Citizens.

20 265. Under section 3.1 of the P&A Agreement, among the assets that were transferred
21 from the FDIC-Receiver-Bridge Bank to First Citizens were the ongoing operations of SVB’s
22 Technology and Healthcare Banking group and the Intellectual Property—as well as all
23 Confidentiality Agreements that protect the Intellectual Property and preserve the staff to
24 continue such operations.

25 266. The position of the FDIC is that the Confidentiality Agreements and the right to
26 enforce them were acquired by First Citizens. See ECF No. 53-1.

27 267. First Citizens has the right to seek to enforce the Confidentiality Agreements.
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3 268. As a condition of his employment with SVB, Sabow executed a Confidential
4 Information and Invention Assignment Agreement for Employees (Sabow’s “Agreement”). A true
5 and correct copy of Sabow’s Agreement is filed with the Court as ECF No. 1-8, incorporated by
6 reference as if set forth in full herein.

7 269. ~~154.~~ Sabow began his employment with SVB in or about May 2012 as a Senior
8 Relationship Manager. Throughout his employment, Sabow ascended through a series of
9 increasingly senior positions. In 2017, he became the Head of Life Sciences, Client Funds and
10 Products. In 2019, he became the Head of Life Sciences and Technology Banking. In 2022, he
11 was offered the position of CEO Silicon Valley Bank UK and Head of EMEA (i.e., Europe, the
12 Middle East, and Africa). He was slated to begin this most recent position on April 1, 2023.

13 270. ~~155. As a condition of his employment, Sabow executed a Confidential~~
14 ~~Information and Invention Assignment Agreement for Employees (Sabow’s “Agreement”). A~~
15 ~~true and correct copy of Sabow’s Agreement is attached as Exhibit H and incorporated by~~
16 ~~reference as if set forth fully herein.~~ The Agreement—which is between Sabow and Holdco and
17 its subsidiaries, affiliates, successors, and assigns—expressly contemplates that it would continue
18 to apply to Sabow throughout his various positions. See ~~Exhibit H at~~ ECF No. 1-8 ¶ 12(a) (“Any
19 subsequent change or changes in my duties, obligations, rights or compensation will not affect the
20 validity or scope of this Agreement.”). Holdco, and its subsidiaries, affiliates, successors, and
21 assigns, including SVB and First Citizens (by means of the March 27, 2023 acquisition), are
22 referred to hereafter as the “Company.”

23 271. ~~156.~~ Sabow’s Agreement contains his promise not to use or disclose the
24 Company’s Confidential Information except for the benefit of the Company. See ~~Exhibit H~~
25 ~~at~~ ECF No. 1-8 ¶ 3(a). The Agreement defines “Confidential Information” in paragraph 3(a) as
26 follows:

27 any Company proprietary information, technical data, trade secrets or
28 know-how, including, but not limited to, the Company’s: approach to
lending, lending and pricing strategies, deal structuring strategies,

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research, product plans, products, services, suppliers, business plans and strategies, markets, software, developments, inventions, technology, designs, drawings, engineering, hardware configuration information, marketing information and methods, licenses, financial proposals, financial statements, finances, transactions, budgets, all personnel information, customer lists and customers (both current and prospective, including, but not limited to, customers of the Company on whom I called or with whom I became acquainted during the Relationship) as well as customers’ point of contact information, borrowing practices[,] purchasing habits, service requirements, prices and costs; or other business information disclosed to me by the Company either directly or indirectly in writing or orally or by observation of documentation, data, parts or equipment or created by me during the period of the Relationship, whether or not during working hours. . . . [Further,] “Confidential Information” includes, but is not limited to, information pertaining to any aspects of the Company’s business which is either information not known by actual or potential competitors of the Company or is proprietary or trade secret information of the Company or its customers or suppliers, whether of a technical nature or otherwise.

272. ~~157.~~ Sabow’s Agreement contains his obligation to assign any rights to “Works,” and ~~to~~ “concepts, know-how, improvements or trade secrets” to the Company so that it is clear that the Company owns these rights – and not Sabow. Specifically, the Agreement provides in paragraphs 4(b) and 4(c) as follows:

4(b) Assignment of Works. I agree that I will promptly make foil written disclosure to the Company, will hold in trust for the sole right and benefit of the Company, and hereby assign to the Company, or its designee, all my right, title and interest throughout the world in and to any and ah inventions, original works of authorship, developments, concepts, know-how, improvements or trade secrets which I may solely or jointly conceive or develop of reduce to practice, or cause to be conceived of developed or reduced to practice, during the period of time in which I am employed by the Company (collectively referred to as “Works”) related to the Company’s business Or which relate to any actual or anticipated research or development which results from any work that I perform for the Company, of any inventions, original works of authorship, developments, concepts, know-how, improvements or trade secrets which involves, in any way, the use of the Company’s equipment, supplies, facilities, trade secrets, or confidential information.. I further acknowledge that all inventions, original works of authorship, developments, concepts, know-how,-improvements Or trade secrets which are made by me (solely or jointly with others) within the scope of and during the period of my Relationship with the Company are “Works made for hire” (to the greatest extent permitted by applicable law) and are compensated by my salary, unless regulated otherwise by the mandatory law of the state of California or the State in which I perform the majority of my service for the Company. I agree to execute all

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2 documents necessary to the perfection of the assignment or for the
3 perfection and/or protection of the Company's interest or rights in such
4 intangible assets.

5 4(c) Consistent with subsection 4(b) above, this Agreement does not
6 require assignment of any inventions which fully qualifies for protection
7 under Section 2870 Of the California Labor Code which provides as
8 follows: Any provision in an employment agreement which provides that
9 an employee shall assign or offer to assign any of his or her rights in any
10 invention to his ~~or~~ her employer Shall not apply to an invention for
11 which no equipment, supplies, facilities or trade secret information of the
12 employer was used and (a) which does not relate (1) to the business of the
13 employer or (2) to the employer's actual of demonstrably anticipated
14 research or development, or (b) which does not result from any work
15 performed by the employee for the employer. Any provision, which
16 purports to apply to such an invention, is to that extent against public
17 policy of this state and is to that extent void and unenforceable.

18 273. ~~158.~~ Sabow's Agreement also contains his commitment to return all of the
19 Company's property and documents upon the termination of his employment with the Company.
20 Specifically, the Agreement provides in paragraph 5 as follows:

21 I agree that, at the time of termination of my Relationship with the
22 Company, I will immediately, without delay, deliver to the Company
23 (and will not keep in my possession, recreate or deliver to anyone else)
24 any and all Company property and documents obtained or provided to
25 me during the Relationship. Such Company property and documents,
26 includes, but is not limited to: records, data, notes, reports, proposals,
27 plans, lists, forecasts, formulas, projections, bids, financial data,
28 promotional or marketing materials, client related information or
correspondence, customer lists, correspondence, tools, equipment,
devices, specifications, programs, plans, proposals, ideas, drawings,
blueprints, sketches, laboratory notebooks, materials, flow charts,
confidential information as defined above in paragraphs 3(a) and 3(c),
and any other documents or property as well as any copies, reproductions
or electronic storage files containing any of the aforementioned items
including but not limited to any files downloaded to cellular phone,
computers or other electronic devices, or forwarded to third parties or
other electronic data storage depositories.

29 274. ~~159.~~ Sabow's Agreement also contains his acknowledgement that his "knowledge
30 of the Company's employees' and consultants' skills, knowledge, relationships and abilities itself
31 constitutes the Company's trade secret information." *Id.* at ¶ 8. Accordingly, he promised in
32 paragraph 8 that during his employment and for a period of six months thereafter, he would not

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3 solicit, induce, recruit or encourage the Company's employees or consultants to terminate their
4 relationship with the Company. Specifically, paragraph 8 of the Agreement states:

5 I agree that during the term of my Relationship with the Company, and
6 for a period of six (6) months immediately following the termination of
7 my Relationship with the Company for any reason, whether with or
8 without cause, I shall not either directly or indirectly solicit, induce,
9 recruit or encourage any of the Company's employees or consultants to
10 terminate their relationship with the Company, or take away such
11 employees or consultants, or attempt to solicit, induce, recruit, encourage
12 or take away employees or consultants of the Company, either for myself
13 or for any other person or entity without first notifying and obtaining the
14 express written approval of the Company's President and CEO.

15 275. ~~160.~~ Sabow's Agreement also contains his promise not to compete unfairly with
16 the Company either during or after his employment. To this end, paragraph 9 states:

17 I agree that for any period during which I am employed by the Company,
18 I will not participate in selling product lines that compete with the
19 Company to existing Company customers or identified prospects. I
20 further agree that, after my employment with the Company ends, that I
21 shall not participate in selling product lines that compete with the
22 Company to existing Company customers or its identified prospects if
23 such conduct would require or in any way cause the disclosure, use or
24 exploitation of any of the Company's trade secrets or confidential
25 information (as defined by the Uniform Trade Secrets Act) or if trade
26 secrets or confidential information obtained during my employment at
27 the Company would give a competitive advantage over the Company. I
28 agree that these limitations are necessary and reasonably calculated to
protect the Company's trade secrets and confidential information. There
shall be no exceptions to these limitations on competition unless I obtain
express written approval for any exception from the Company's
President and CEO. Except for these reasonable limitations, I am free to
obtain employment with other companies in the financial services
industry. Accordingly, I understand this provision shall not be construed
to prevent me from being gainfully employed in the financial services
industry by a competitor of the Company.

29 276. ~~161.~~ Just like Sabow, Defendants Patel, Stepanis, Longo, and Hanlon signed
30 Confidentiality Agreements with the Company. True and correct copies of their Agreements are
31 ~~attached as Exhibits~~ filed with this Court as ECF Nos. 1-9 through 1-12 and incorporated by
32 reference as if set forth fully in full herein. Although the verbiage of Patel's, ~~Stepanis's~~ Stepanis',
33 Longo's, and Hanlon's Agreements differs slightly from Sabow's Agreement, the substance is the

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3 same. Like Sabow, Patel, Stepanis, Longo, and Hanlon agreed that: (i)a) they will not use or
4 disclose the Company’s Confidential Information except on behalf of the Company; (ii)b) they
5 will return the Company’s property and documents upon the termination of their employment;
6 (iii)c) “Works for Hire” belong to the Company; (d) during their employment and for a period of at
7 least six months thereafter, they would not solicit, induce, recruit or encourage the Company’s
8 employees or consultants to terminate their relationship with the Company; and (iv)e) they will not
9 compete unfairly with the Company. See ~~Exhibit I~~ at ECF No. 1-9 ¶¶ 3, 4, 5, 78 and 9; ~~Exhibits~~
10 ~~J~~ ECF Nos. 1-10 and ~~K~~ at 1-11 ¶¶ 3, 4, 5, 7, and 8; ~~Exhibit L~~ at ECF No. 1-12 ¶¶ 3, 4, 5, 8 and 9.

11 277. ~~162.~~ By and through their conduct described above, Sabow, Patel, Stepanis,
12 Longo, and Hanlon breached the provisions of their Agreements referenced above.

13 278. ~~163.~~ The Company has performed, or substantially performed, all of its obligations
14 under the Agreements and met and satisfied all conditions precedent.

15 279. ~~164.~~ The ~~Agreement~~ Agreements of Sabow, Patel, Stepanis, Longo, and Hanlon are
16 valid and enforceable.

~~165. The Agreement was supported by adequate consideration.~~

17
18 280. The Agreements were supported by adequate consideration including initial
19 employment with SVB and continued employment with First Citizens, access to confidential and
20 trade secret information, compensation, benefits and more.

21 281. ~~166.~~ Plaintiff First Citizens has been damaged by these breaches in an amount to be
22 determined at trial, ~~but in excess of \$1 billion.~~

SECOND CAUSE OF ACTION

(Breach of Contract—Notice Obligations—Against Andersen and Patel)

23
24
25 ~~167. Plaintiff repeats, realleges, and incorporates paragraphs 1 through 166 as if set forth~~
26 ~~fully herein.~~

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2 168. On or about April 15, 2019, Andersen became ~~the Head of Relationship~~
3 ~~Management, Life Sciences for SVB.~~ This position was a promotion for Andersen, and she
4 ~~received an increase in pay.~~ She also received additional benefits including incentive
5 ~~compensation and the ability to participate in SVB's Equity Incentive Plan Awards.~~ In this
6 ~~position, she reported directly to Sabow, who at the time was the Head of Life Sciences and~~
7 ~~Technology Banking.~~ In her offer letter, which was signed by Sabow, and which she accepted
8 ~~and signed, Andersen agreed to provide SVB with sixty days' notice of her resignation.~~ Her offer
9 ~~letter, which was also signed by Sabow, stated in pertinent part as follows:~~

10
11 ~~Because continuity is critical to both SVB Financial Group's operations as well as that~~
12 ~~of our clients, you agree to provide sixty (60) days' notice prior to terminating~~
13 ~~your employment with us to assure the successful completion of projects and~~
14 ~~transition of work to your successor, and you also agree not to commence~~
15 ~~employment elsewhere until completion of this sixty (60) day notice period.~~
16 ~~Similarly, SVB Financial Group agrees to provide you with sixty (60) days' notice~~
17 ~~prior to terminating your employment for performance or economic reasons.~~
18 ~~This mandatory notice period will not apply if you are terminated for fraud,~~
19 ~~harassment, conflict of interest in violation of SVB Financial Group's Code of~~
20 ~~Conduct or other acts of moral or legal turpitude. During the sixty (60) day notice~~
21 ~~period, you will continue to receive your full pay and benefits, and your duties will~~
22 ~~focus on assisting SVB Financial Group in transitioning work to which you were~~
23 ~~assigned and other administrative tasks on an as-needed basis. During this sixty (60)-~~
24 ~~day notice period, SVB Financial Group in its sole discretion may cease to assign~~
25 ~~work to you, modify the work you perform, place you on leave or require you not to~~
26 ~~attend work for all or a portion of the notice period. You agree that even if you are~~
27 ~~inactive for some or all of the notice period, this notice period shall not constitute~~
28 ~~constructive discharge of your employment. You further agree that this mandatory~~
~~notice period does not otherwise alter your at-will employment with SVB Financial~~
~~Group. Throughout the sixty (60) day notice period, the terms of your~~
~~employment will continue in force including those relating to your compensation,~~
~~duty of loyalty and exclusivity of employment with SVB Financial Group. This~~
~~sixty (60) day notice period can only be modified through written agreement between~~
~~you and SVB Financial Group, except that it may be waived in SVB Financial Group's~~
~~sole discretion upon request.~~
~~(emphasis added).~~ A true and correct copy of Andersen's offer letter is attached is **Exhibit M**
~~and incorporated by reference as if set forth fully herein.~~ Andersen also agreed to provide notice

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2 ~~in exchange for subsequent increases in compensation.~~

3
4 ~~169. As of September 29, 2020, Andersen's title was Head of Relationship Management,~~
5 ~~Life Sciences & Healthcare Banking for SVB.~~

6
7 ~~170. On December 19, 2022, Andersen executed a contract rendering her eligible to~~
8 ~~receive a retention award in exchange for certain promises (the "Retention Award Agreement").~~

9 ~~A true and correct copy of the Retention Award Agreement is attached as Exhibit N and~~
10 ~~incorporated by reference as if set forth fully herein.~~

11
12 ~~171. Pursuant to the Retention Award Agreement, Andersen was eligible to receive~~
13 ~~hundreds of thousands of dollars if she continued her employment with SVB through December~~
14 ~~31, 2025. The Retention Award Agreement contained mutual promises between SVB and~~
15 ~~Andersen to provide one another at least sixty days' notice prior to terminating Andersen's~~
16 ~~employment to ensure the successful completion of projects and transition of work. The~~
17 ~~Retention Award Agreement stated in pertinent part as follows:~~

18 ~~**Continuity is critical to both SVB Financial Group's operations as well as that of**~~
19 ~~**our clients. Accordingly, as further consideration for your eligibility to receive**~~
20 ~~**payments under this Retention Awards Program, you agree to provide sixty (60)**~~
21 ~~**days' notice (the "Notice Period") prior to terminating your employment with us**~~
22 ~~**to assure the successful completion of projects and transition of work to your**~~
23 ~~**successor, and you also agree not to commence employment elsewhere until**~~
24 ~~**completion of this Notice Period. Similarly, SVB Financial Group agrees to**~~
25 ~~**provide you with the same Notice Period prior to terminating your employment.**~~
26 ~~This mandatory Notice Period will not apply if you are terminated for cause and/or in~~
27 ~~violation of SVB Financial Group's Code of Conduct. **Throughout the Notice**~~
28 ~~**Period, the terms of your employment will continue in force including those**~~
~~**relating to your compensation, duty of loyalty and exclusivity of employment**~~
~~**with SVB Financial Group and your duties will focus on assisting SVB Financial**~~
~~**Group in transitioning work to which you were assigned and other**~~
~~**administrative tasks as needed.**~~ SVB Financial Group in its sole discretion may
ease to assign work to you, modify the work you perform, place you on leave or
require you not to attend work for all or a portion of the Notice Period. You agree that
even if you are inactive for some or all of the Notice Period, this Notice Period shall
not constitute constructive discharge of your employment. You also agree that this

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~~Notice Period supersedes the “without notice” aspect of SVB Financial Group’s ordinary at-will policy but does not otherwise alter your at-will employment with SVB Financial Group. This Notice Period can only be modified through written agreement between you and SVB Financial Group, except that it may be waived in SVB Financial Group’s sole discretion upon request. Except for the Notice Period set forth above, nothing in this offer, or your acceptance of it, alters your at-will employment status with the company. Either party has the right to terminate your employment with or without cause or notice upon notice as set forth above. SVB Financial Group reserves the right to change your benefits with or without notice upon notice as set forth above.~~

(emphasis added).

~~172. Similar to Andersen, Patel agreed to provide notice of her resignation from SVB. Specifically, on or about August 31, 2020, Patel became the Head of Business Development for SVB. In exchange for accepting this position and the terms of her offer letter, Patel received an annual salary and other compensation and benefit worth millions of dollars. In her offer letter, which she accepted and signed, Patel agreed to provide SVB with sixty days’ notice of her resignation. Her offer letter stated in pertinent part as follows:~~

~~Because continuity is critical to both SVB Financial Group's operations as well as that of our clients, we agree to provide you with sixty (60) days' notice prior to terminating your employment for performance or economic reasons. This mandatory notice period will not apply if you are terminated for fraud, harassment, conflict of interest in violation of SVB Financial Group's Code of Conduct or other acts of moral or legal turpitude. Similarly, you agree to provide sixty days' notice to SVB Financial Group before commencing employment elsewhere. During the sixty (60) day notice period, you will continue to receive your full pay, equity vesting, bonus eligibility and benefits, and your duties will focus on assisting SVB Financial Group in transitioning work to which you were assigned and other administrative tasks on an as-needed basis. During this sixty (60) day notice period, SVB Financial Group in its sole discretion may cease to assign work to you, modify the work you perform, place you on leave or require you not to attend work for all or a portion of the notice period. You agree that even if you are inactive for some or all of the notice period, this notice period shall not constitute constructive discharge of your employment. Throughout the sixty (60) day notice period, the terms of your employment will continue in force including those relating to your compensation, duty of loyalty and exclusivity of employment with SVB Financial Group.~~

~~A true and correct copy of Patel’s Offer Letter is attached as **Exhibit O** and incorporated by~~

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2 ~~reference as if set forth fully herein.~~

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4 ~~173. At or about 9:00 p.m. on April 9, 2023, Easter Sunday, Andersen and Patel breached~~
5 ~~their contracts by resigning without providing sixty days' notice.~~

6 ~~174. The Company has performed, or substantially performed, all of its obligations under~~
7 ~~the Agreements and met and satisfied all conditions precedent.~~

8 ~~175. The notice obligations of Andersen and Patel are valid and enforceable.~~

9 ~~176. The notice obligations were supported by adequate consideration.~~

10 ~~177. Plaintiff has been damaged by these breaches in an amount to be determined at trial,~~
11 ~~but in excess of \$1 billion.~~

12
13 **B. THIRDSECOND CAUSE OF ACTION**

14 ***(Breach of Contract – First Citizens Agreements –***
15 ***Against Stepanis, Patel, Kidder, Longo, Hanlon, and Andersen)***

16 282. ~~178. Plaintiff~~ First Citizens repeats, realleges, and incorporates paragraphs 1
17 through ~~177~~260 as if set forth ~~fully~~in full herein.

18 283. ~~179.~~ After First Citizens won the auction for SVB, Stepanis, Patel, Kidder, Longo,
19 Hanlon, and Andersen each applied to become and subsequently became ~~executive~~ employees of
20 First Citizens.

21 284. ~~180.~~ As a condition of their employment with First Citizens, Stepanis, Patel,
22 Kidder, Longo, Hanlon, and Andersen each executed First Citizens' New Hire Acknowledgement
23 agreement. True and correct copies of the New Hire Acknowledgement agreements are ~~attached~~
24 ~~as Exhibits P~~ filed with this Court as ECF Nos. 1-16 through ~~U1-21~~ and incorporated ~~by~~
25 ~~reference~~ as if set forth ~~fully~~in full herein.

26 285. ~~181.~~ The New Hire Acknowledgement agreements state in pertinent part as
27 follows:

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- I read, understood, and agree to comply with the Code of Ethics.
- I read, understood, and agree to comply with [First Citizens'] policies and standards, including but not limited to:
 - Corporate Compliance Policy...
 - Information Security Acceptable Use Standards...
- At the beginning of my employment, I will review additional [First Citizens] policies and standards applicable to my role, including but not limited to, [First Citizens'] Human Resources policies and standards.

286. ~~182.~~ The Code of Ethics to which the New Hire Acknowledgement agreements refer states in part as follows:

You must comply with all laws and regulations applicable to your role at First Citizens and avoid even the slightest appearance or suspicion of wrongdoing, conflict of interest or other improper conduct.

* * *

You must promptly report: (i) Any act or omission you know or suspect to be illegal, dishonest, fraudulent, or unethical that may affect or involve First Citizens; (ii) Any act or omission you suspect to be a violation of the Code of Ethics or First Citizens' policies, standards, or procedures to which you are subject;

* * *

1. Comply with All Laws, Regulations, and First Citizens' Policies, Standards and Procedures

1.1 In General

You are responsible for understanding and obeying all laws, regulations, policies, standards, and procedures to which you are subject and that govern your actions within and for First Citizens. Strict attention to and compliance with federal and state laws and regulations applicable to the financial services business as well as ethical business conduct rules and regulations, such as the Federal Bank Secrecy Act, are REQUIRED to protect you and First Citizens.

* * *

1.4 First Citizens' Policies, Standards and Procedures

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You are responsible for understanding and following all First Citizens’ policies, standards, and procedures to which you are subject....

2. Maintain Integrity

2.1 In General

As used in this Code, “integrity” means possessing and steadfastly adhering to principles of honesty, reliability, courtesy, accuracy, confidentiality, and trustworthiness. Associates are expected to act with integrity in all matters and protect and maintain the first citizens integrity and reputation at all times.

2.2 Confidentiality and Privacy of Information...

You **must not access, disclose, or use** non-public information concerning First Citizens, its customers, suppliers, vendors, or anyone doing business with First Citizens **unless there is a business need to do so and you have the appropriate authorization.** Your responsibilities regarding non-public information include, but are not limited to, the following:

- ...Use information only for its intended use in carrying out your duties as a First Citizens associate;
- **Do not send non-public information to your personal email address...**;
- Do not use information for unauthorized purposes, such as for your personal advantage or to provide advantage to others....

Safeguarding and protecting non-public information are continuing obligations, even after you are no longer employed by First Citizens. When you leave First Citizens’ employ, you must immediately do the following regarding non-public information:

- Return to First Citizens all records or files in any format, whether written, printed, or electronic (including all originals and any copies or other reproductions), and all lists, summaries, compilations, extracts, or other representations of information, in your possession or control;
- Permanently delete any information electronically stored on any personal devices; and
- Not use information for your own personal benefit or for the benefit of any third party.

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* * *

3.0 Avoid Conflicts of Interest

3.1 In General

As used in this Code, a conflict of interest means a situation or activity that could compromise, or appear to compromise, your judgment, objectivity, or effectiveness in the performance of your duties with First Citizens.

Conflicts of interest, whether real or perceived, can undermine the trust and confidence of our customers, vendors and suppliers, the public, and our fellow associates. Whether or not a conflict of interest exists or will exist can be unclear. You must avoid any activity or situation that involves, or appears to involve, a conflict of interest....

A conflict of interest may also arise when your personal activities and relationships with immediate family members, friends, coworkers, etc. interfere, or appear to interfere, with your ability to act in the best interest of First Citizens.

3.2 Using Position for Personal Gain

You must manage your personal and business affairs to avoid situations that cause, or appear to cause, a conflict of interest between your self-interest and your duty to First Citizens....

Self-dealing means using your employment or position for personal gain, to advance personal interests, or to obtain favors or unauthorized benefits for yourself or any other person....

3.3 Activities Detrimental to the First Citizens' Business

You must avoid in engaging in activities that place you in competition with or which are otherwise detrimental (directly or indirectly) to First Citizens' business. Examples of activities that are considered inappropriate include, but are not limited to, the following:

* * *

- Diverting business or personnel away from First Citizens[.]

(All emphases in original). A true and correct copy of the Code of Ethics is filed with this Court

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3 as ECF No. 1-22 and incorporated as if set forth in full herein.

4 ~~A true and correct copy of the Code of Ethics is attached as~~
5 ~~Exhibit V and incorporated by reference as if set forth fully herein.~~
6 ~~(all emphasis in original).~~

7 287. ~~183.~~ The Acceptable Use Standards state in part as follows:

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12 **2. Overview**

The Acceptable Use Standards (Standards) define specific requirements that must be followed when using First Citizens BancShares Inc. and subsidiaries including First-Citizens Bank & Trust Company, (FCB or Bank) technology and information resources (assets) to protect FCB from illegal or damaging actions, either knowingly or unknowingly, that could affect the confidentiality, integrity, and availability of information created, collected, and maintained.

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Access to and use of assets is a privilege granted to Associates and Non-Employee Workers as defined in the Human Resources Policies & Standards Manual (collectively, Users). All Users are expected to use FCB assets in a responsible and ethical manner for their intended business purpose in serving the interests of FCB and of FCB's clients and customers. Effective security is a team effort involving the participation and support of every User who deals with FCB information and/or information systems.

The purpose of this Standards is to define the acceptable use of FCB's assets by Users. Inappropriate use exposes FCB to risk including virus attacks, compromises of the network systems and services, violation of license and contractual agreements, and legal and regulatory requirements.

3. Scope

All assets that process, store, receive, transmit or otherwise could impact the confidentiality, integrity, and accessibility of FCB data and information must meet the required security controls defined in these Standards that are based on the National Institute of Standards and Technology (NIST) SP 800-53, Security and Privacy Controls.

These Standards apply to all business units, departments, and functions within FCB, as well as Users that access, process, store, and/or transmit FCB data and information.

4. General Requirements – Acceptable Use of Information Assets

4.1 Intended Business Purpose

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Except as permitted in these Standards or under applicable law, FCB owned and managed technology resources and information assets must be used only for the intended business purpose.

* * *

4.6 Return ~~First Citizens~~FCB Assets

Users must return FCB owned hardware, software, and Restricted Data (as defined in the Data Classification & Handling Standards) to FCB upon request or termination of access.

* * *

8. Acceptable Use of Company Information

8.1 Business Need

Users must not attempt to access any Restricted data (as defined in the Data Classification and Handling Standards) without a direct business need and authorization to do so.

8.2 Disclosure

Restricted data may be used only for legitimate FCB business purposes and may not be used or disclosed by any User for any personal purpose as per the Data Classification and Handling Standard.

8.3 Processing and Storage

FCB data that is classified as Restricted or Business Use Only may only be processed or stored on technology resources owned, leased, contracted, or approved by FCB. Any other use of technology resources or service providers to process or store Restricted or Business Use Only data is prohibited.

* * *

~~8.5 Non-FCB Owned Devices~~

~~Restricted or Business Use Only data must not be stored or printed on non-FCB owned computers or devices, unless at least one of the following FCB approved protection methods is used:~~

- FCB managed data loss prevention controls
- FCB approved vendor provided data loss prevention controls

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- Other solutions as approved by Information Security

* * *

8.7 Mobile Devices

Mobile devices must not store, transmit, or receive Restricted FCB information without FCB approved protection mechanisms (such as the secure messaging service, whole-disk encryption, or Virtual Private Network (VPN).

* * *

13. Acceptable Use of Email and Messaging Platforms

13.1 Business Use

Email and instant messaging must only be used for business related communications and must not be used for personal use, except as permitted by these Standards or applicable law.

13.2 Unlawful Messages

Email and instant messaging systems must not be used to send fraudulent, harassing, obscene, threatening, or other unlawful messages.

13.3 Approved Messaging Systems

Users must not send business related email or electronic messages containing Restricted data to Users, clients, customers, and business partners through any means other than FCB's approved email and messaging systems. Use of external / public email and instant messaging systems (e.g., Hotmail, Gmail, AOL, AIM, MSN Messenger) for sending business related information is prohibited.

* * *

13.4.4 Secure Messages in Accordance with Data Classification

Email containing Restricted information must be sent securely using established FCB procedures and must not be sent without an acceptable business need and justification.

13.4.5 Personal Email Addresses

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Email containing business related Restricted data must not be sent to a User’s personal email address or any other User’s personal email address, except when sending communications related to a customer's business to the customer's email address, provided that FCB approved security standards to protect the customer's Restricted information are ~~followed~~allowed.

13.5 Messaging Platforms

13.5.1 Non-Approved Platforms

Users must not copy or download FCB data from any FCB approved instant message platform and share on non-approved platforms.

* * *

13.5.4 Text Messages Including Restricted Data

Users are prohibited from sending or receiving text messages that contain Restricted data as defined in the Data Classification and Handling Standards.

13.5.5 Approved Messaging Platforms

Only FCB approved messaging platforms (e.g., MS Teams) may be used for making material business decisions or other business communications.

(All emphases in original). A true and correct copy of the Acceptable Use Standards is filed with this Court as ECF No. 1-23 and incorporated as if set forth in full herein.
~~A true and correct copy of the Acceptable Use Standards is attached as Exhibit W and incorporated by reference as if set forth fully herein. (all emphasis in original).~~

288. ~~184.~~ The Data Classification and Handling Standards define “Restricted Data” to include information that is intended only for First Citizens and that relates to key financial, strategic, R&D, legal, or other critical aspects of First Citizens’ operations. Examples of Restricted Data include information that provides a competitive advantage such as details of business and marketing strategies and pricing of services and any financial data that is held in confidence by First Citizens. A true and correct copy of the Data Classification and Handling

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Standards is ~~attached as Exhibit X~~ filed with this Court as ECF No. 1-24 and incorporated by ~~reference~~ as if set forth fully in full herein.

289. ~~185.~~ By and through their conduct described above, Stepanis, Patel, Kidder, Longo, Hanlon, and Andersen breached their New Hire Acknowledgement agreements.

290. ~~186.~~ The Company has performed, or substantially performed, all of its obligations under the New Hire Acknowledgement agreements and met and satisfied all conditions precedent.

291. ~~187.~~ The New Hire Acknowledgement agreements with Stepanis, Patel, Kidder, Longo, Hanlon, and Andersen are valid and enforceable.

292. ~~188.~~ The New Hire Acknowledgement agreements were supported by adequate consideration including initial employment with SVB and continued employment with First Citizens, access to confidential and trade secret information, compensation, benefits and more.

293. ~~189.~~ Plaintiff First Citizens has been damaged by these breaches in an amount to be determined at trial, ~~but in excess of \$1 billion.~~

C. ~~FOURTH~~ THIRD CAUSE OF ACTION

(Breach of Duty of Loyalty Against Stepanis, Patel, Kidder, Longo, Hanlon, and Andersen)

294. ~~190.~~ Plaintiff First Citizens repeats, realleges, and incorporates paragraphs 1 through ~~189~~260 as if set forth fully in full herein.

295. ~~191.~~ As employees of First Citizens, ~~Stepanis, Patel, Kidder, Longo, Hanlon, and Andersen~~ the Individual Defendants owed First Citizens an undivided duty of loyalty and care to act in the utmost good faith, with undivided interests and with faithful service, and to place First Citizens' interests ahead of their own and not to act for persons or entities whose interests would conflict with those of First Citizens. This duty ~~includes~~ of loyalty included an obligation ~~not~~ to take ~~action which is no actions~~ inimical to the best interests of First Citizens. It also ~~includes~~ included an obligation to warn First Citizens of imminent threats, particularly those that

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3 were being planned and orchestrated by the Defendants. It also ~~includes~~included an obligation to
4 refrain from competing with First Citizens during employment, and to refrain from taking actions
5 on behalf of or otherwise assisting a competitor of First Citizens. ~~It also includes an obligation~~
6 ~~not to acquire a material benefit from a third party in connection with actions taken through the~~
7 ~~use of their positions with First Citizens. It also includes a duty not to communicate First~~
8 ~~Citizens' confidential information for their own benefit or the benefit of a third party.~~

9 296. Between March 27 and April 9, 2023, while employees of First Citizens, the
10 Individual Defendants each violated their duty of loyalty by recruiting First Citizens employees
11 for HUSI and HSBC Bank USA, coordinating and planning the April 9, 2023 mass resignation
12 from First Citizens in order to set up a competing bank, and concealing this plan in direct
13 violation of their obligations to First Citizens.

14 297. The Individual Defendants knew that the expressed intention of the Project Colony
15 scheme they joined was to put First Citizens' newly acquired SVB division "out of business."
16 The conduct of each of the Individual Defendants was willful and malicious, was performed with
17 intent to injure First Citizens, and was without justification or privilege. The conduct of the
18 Individual Defendants was undertaken in furtherance of their own personal interests and for the
19 benefit of the HSBC Entities.

20 *Patel and Kidder*

21 298. Sabow recruited Patel and Kidder to join the effort to gather other First Citizens
22 employees for execution of Project Colony, culminating in their active participation in one of
23 Michael Roberts' April 8, 2023 calls to recruit other employees for the April 9, 2023 mass
24 resignation.

25 299. Sabow kept a detailed spreadsheet of the employees he was recruiting. As of
26 March 23, 2023, Patel was "in" on the plot, according to Sabow's Tracking Spreadsheet. Patel
27 remained "in" on the plot after she became a First Citizens employee on March 27, 2023. First
28 Citizens expects to establish upon further investigation and discovery that being "in" on the plot

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3 included identifying employees that Patel would recruit and how and when to execute the Project
4 Colony scheme.

5 300. On April 3, 2023, Sabow and Kidder spoke by phone. First Citizens expects to
6 establish upon further investigation and discovery that they spoke about Project Colony, including
7 which employees Kidder would recruit and how and when to execute the Project Colony scheme.

8 301. On April 6, 2023, a First Citizens' Senior Market Manager sent an email to his
9 supervisor Kidder, who at the time was the Head of Loan Administration. The First Citizens'
10 manager alerted Kidder about existing competitive threats to the bank in the wake of SVB's
11 failure. The email expressed concern about a potentially escalating "run on the bank's talent" and
12 noted that "[e]ach departure adds to the snowball of the momentum towards leaving." It
13 specifically named two competitors (neither of which were HSBC) who were rumored to be
14 looking to hire First Citizens' former SVB employees. Kidder remained silent. He did not
15 respond or tell anyone that he and the other Defendants were plotting a raid of First Citizens'
16 workforce.

17 302. The email to Kidder also stated that "There is confidence around [the bank's Chief
18 Banking Officer] and the idea of bringing back Sabow." Kidder did not correct this
19 misimpression. He did not respond or tell anyone that the Defendants were plotting a raid of First
20 Citizens' workforce.

21 303. Patel and Kidder were present on a call that Michael Roberts held with First
22 Citizens employees on Saturday, April 8, 2023. Also present on that call were employees
23 supervised by Patel and Kidder. As First Citizens expects to establish upon further investigation
24 and discovery, in the days prior to the call, Patel and Kidder contacted employees and asked and
25 arranged for them to participate in this call, putting their interests and the interest of HSBC Bank
26 USA ahead of First Citizens. During that call, Patel and Kidder, in concert with Michael Roberts,
27 urged the employees to resign *en masse* from First Citizens and to join HSBC Bank USA. Patel

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3 and Kidder did not inform First Citizens that they and Roberts were targeting these employees for
4 a mass departure.

5 *Stepanis and Andersen*

6 304. Sabow recruited Stepanis and Andersen to join the effort to gather other First
7 Citizens employees for execution of Project Colony, culminating in their active participation in
8 another one of Michael Roberts' April 8, 2023 calls to recruit other employees for the April 9,
9 2023 mass resignation.

10 305. As of March 23, 2023, Stepanis was "in" on the plot, according to Sabow's
11 Tracking Spreadsheet. Stepanis remained "in" on the plot after she became a First Citizens
12 employee on March 27, 2023. Andersen agreed to participate in Project Colony after March 23,
13 2023, and before April 8, 2023.

14 306. On March 31, while still an employee of First Citizens, Stepanis suggested that
15 Co-Defendant Longo ask Michael Roberts for 100 offer letters for First Citizens employees,
16 consistent with Project Colony's mass resignation strategy.

17 307. The following week, on April 6, 2023, Stepanis called one of the Project Colony
18 targets, a First Citizens employee on her team, who ultimately resigned from First Citizens to join
19 HUSI and HSBC Bank USA. As First Citizens expects to establish upon further investigation and
20 discovery, Stepanis urged the employee to resign from First Citizens and join HUSI and HSBC
21 Bank USA.

22 308. Stepanis and Andersen communicated with HSBC's Head of Executive
23 Recruitment on or before April 8, 2023. Stepanis and Andersen requested that the Head of
24 Executive Recruitment set up a separate meeting on April 8 between Michael Roberts, them, and
25 the members of their teams (First Citizens employees) they had recruited to join HSBC Bank
26 USA

27 309. Stepanis and Andersen were present on a call that Roberts held with them and the
28 First Citizens employees they supervised on Saturday, April 8, 2023. As First Citizens expects to

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3 establish upon further investigation and discovery, in the days prior to the call, Stepanis and
4 Andersen contacted employees and asked and arranged for them to participate in this call, putting
5 their interests and the interest of HSBC Bank USA ahead of First Citizens. During that call,
6 Stepanis and Andersen, in concert with Michael Roberts, urged the employees to resign *en masse*
7 from First Citizens and to join HSBC Bank USA. Stepanis and Andersen did not inform First
8 Citizens that they and Roberts were targeting these employees for a mass departure.

9 Longo

10 310. Sabow recruited Longo to join the effort to gather other First Citizen employees
11 for execution of Project Colony and kept a detailed spreadsheet of the employees he was
12 recruiting. As of March 23, 2023, Longo was “in” on the plot, according to Sabow’s Tracking
13 Spreadsheet. Longo remained “in” on the plot after he became a First Citizens employee on
14 March 27, 2023.

15 311. On March 31, 2023, an employee asked Longo, “can we get [S]abow back?”
16 Longo responded, “I keep texting him to please come back.” At this time, Longo had agreed to
17 join with Sabow and recruit employees to leave for HSBC. Longo intentionally misled this
18 employee to keep the impending raid a secret.

19 312. On April 4, 2023, an employee told Longo she believed Sabow was not coming
20 back and asked if he (Sabow) was going to HSBC. Longo said he had “no clue.” At this time,
21 Longo had agreed to join with Sabow and recruit employees to leave for HSBC. Longo
22 intentionally misled this employee to keep the impending raid a secret.

23 313. As First Citizens expects to establish upon further investigation and discovery,
24 Longo contacted employees and asked and arranged for them to participate in one or both of the
25 calls with Michael Roberts on April 8, 2023. Longo deliberately chose to put his interests and the
26 interests of his soon-to-be new employer ahead of First Citizens.

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Hanlon

314. Sabow recruited Hanlon to join the effort to gather other First Citizen employees for execution of Project Colony and kept a detailed spreadsheet of the employees he was recruiting. Hanlon agreed to join the Project Colony group after March 23, 2023, and before April 8, 2023.

315. On March 29, 2023, Sabow introduced Hanlon to Sungmahn Seo (Managing Director of Commercial Banking at HSBC Holdings) and Jennifer Capasso (HUSI’s and HSBC Bank USA’s Head of Embedded Banking & Platforms). He asked them to include Hanlon in a discussion about the “US onboarding journey.” Sabow explained that he and Hanlon were “biased to connecting sooner rather than later.” As First Citizens expects to establish upon further investigation and discovery, Sabow was asking Hanlon to perform work for a competitor while she was still an employee of First Citizens, and Hanlon did the work while she was still an employee of First Citizens in furtherance of the Project Colony scheme.

316. On April 8, 2023, Sabow asked Hanlon, “can you be my partner in crime to design the first week and ‘shadow ops’ prior to the go live?” He further requested her thoughts on building out an agenda, training, and operational readiness to help prepare for the launch of the new business. As First Citizens expects to establish upon further investigation and discovery, Sabow was asking Hanlon to perform work for a competitor while she was still an employee of First Citizens, and Hanlon did the work while she was still an employee of First Citizens in furtherance of the Project Colony scheme.

* * *

317. ~~192.~~ By and through ~~the~~this conduct ~~described above, Stepanis,~~ Patel, Kidder, Stepanis, Andersen, Longo, and Hanlon, ~~and Andersen~~ breached their duty of loyalty to First Citizens.

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2 ~~193. The foregoing conduct of Stepanis, Patel, Kidder, Longo, Hanlon, and Andersen was~~
3 ~~willful and malicious, was performed with intent to injure Plaintiff, and was without justification~~
4 ~~or privilege. The conduct of Stepanis, Patel, Kidder, Longo, Hanlon, and Andersen was~~
5 ~~undertaken in furtherance of their own personal interests and for the benefit of HSBC.~~

7 ~~194. Plaintiff has been damaged by these breaches in an amount to be determined at trial,~~
8 ~~but in excess of \$1 billion.~~

9
10 **FIFTH CAUSE OF ACTION**

11 **(Breach of Fiduciary Duty Against Sabow, Stepanis,**
12 **Patel, Kidder, Longo, Hanlon, and Andersen)**

13 ~~195. Plaintiff repeats, realleges, and incorporates paragraphs 1 through 194 as if set forth~~
14 ~~fully herein.~~

15 ~~196. At the time he left SVB to join SVB UK in early 2023, Sabow was a senior executive~~
16 ~~for SVB with the title of Head of SVB's Life Sciences and Technology Banking.~~

17 ~~197. Stepanis was a senior executive with the title of Head of Technology Credit~~
18 ~~Solutions for SVB at the time First Citizens acquired SVB's assets. At the time she resigned~~
19 ~~from First Citizens, Stepanis was a senior executive with the title of SV Head of Credit Solutions~~
20 ~~(within the Tech Credit Solutions Admin division).~~

22 ~~198. Patel was a senior executive with the title of Head of Business Development for SVB~~
23 ~~at the time First Citizens acquired SVB's assets. At the time she resigned from First Citizens,~~
24 ~~Patel was a senior executive with the title of SV Head of Investor Coverage and Business~~
25 ~~Development.~~

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2 ~~199. Kidder was a senior executive with the title of Head of Loan Administration for SVB~~
3 ~~at the time First Citizens acquired SVB's assets. At the time he resigned from First Citizens,~~
4 ~~Kidder was a senior executive with the title of SV Head of Loan Administration.~~

5
6 ~~200. Longo was a senior executive with the title of Head of U.S. Life Science &~~
7 ~~Healthcare Credit Solutions at the time First Citizens acquired SVB's assets. At the time he~~
8 ~~resigned from First Citizens, Longo was a senior executive with the title of SV Head of Credit~~
9 ~~Solutions Life Science & Healthcare.~~

10
11 ~~201. Hanlon was a senior executive with the title of Head of Relationship Advisors at~~
12 ~~SVB at the time First Citizens acquired SVB's assets. At the time she resigned from First~~
13 ~~Citizens, Hanlon was a senior executive with the title of SV Head of Relationship Advisors.~~

14 ~~202. Andersen was a senior executive with the title of Head of Relationship Management,~~
15 ~~Life Science & Healthcare Banking for SVB at the time First Citizens acquired SVB's assets. At~~
16 ~~the time she resigned from First Citizens, Andersen was a senior executive with the title of~~
17 ~~SV Head of Relationship Management Life Science & Healthcare.~~

18 ~~203. As senior executives of the Company, Sabow, Stepanis, Patel, Kidder, Longo,~~
19 ~~Hanlon, and Andersen owed the Company a fiduciary duty through which they were bound to act~~
20 ~~with the utmost good faith for the benefit of the Company. This duty included an obligation to~~
21 ~~act in the utmost good faith with undivided interests and with faithful service, and to place the~~
22 ~~Company's interests ahead of their own and not to act for persons or entities whose interests~~
23 ~~would conflict with those of the Company. This duty includes an obligation not to take action~~
24 ~~which is inimical to the best interests of the Company. It also includes an obligation to warn the~~
25 ~~Company of imminent threats, particularly those that were being planned and orchestrated by~~
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2 ~~Sabow, Stepanis, Patel, Kidder, Longo, Hanlon, and Andersen. It also includes an obligation to~~
3 ~~refrain from competing with the Company during employment, and to refrain from taking actions~~
4 ~~on behalf of or otherwise assisting a competitor of the Company. It also includes an obligation~~
5 ~~not to acquire a material benefit from a third party in connection with actions taken through the~~
6 ~~use of their positions with the Company. It also includes a duty not to communicate the~~
7 ~~Company's confidential information for their own benefit or the benefit of a third party both~~
8 ~~during and after their agency. It also includes a duty not to recruit the executives' direct reports~~
9 ~~and subordinate employees to go work for a competitor.~~

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12 ~~204. By and through the conduct described above, Sabow, Stepanis, Patel, Kidder, Longo,~~
13 ~~Hanlon, and Andersen breached their fiduciary duty.~~

14 ~~205. The foregoing conduct of Sabow, Stepanis, Patel, Kidder, Longo, Hanlon, and~~
15 ~~Andersen was willful and malicious, was performed with intent to injure Plaintiff, and was~~
16 ~~without justification or privilege. The conduct of Sabow, Stepanis, Patel, Kidder, Longo, Hanlon,~~
17 ~~and Andersen was undertaken in furtherance of their own personal interests and for the benefit of~~
18 ~~HSBC.~~

19
20 318. ~~206. Plaintiff~~First Citizens has been damaged by these breaches in an amount to be
21 determined at trial, ~~but in excess of \$1 billion.~~

22 **D. ~~SIXTH~~FOURTH CAUSE OF ACTION**

23 ***(Aiding and Abetting Breach of Duty of Loyalty***
24 ***and Fiduciary Duty Against the HSBC Defendants***Entities ***and Sabow)***

25 319. ~~207. Plaintiff~~First Citizens repeats, realleges, and incorporates paragraphs 1
26 through ~~206~~260 as if set forth ~~fully~~in full herein.

27 320. Between March 27 and April 9, 2023, Sabow, HUSI and HSBC Bank USA
28 encouraged, facilitated, and directed the Individual Defendants to recruit specific First Citizens

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3 employees to resign *en masse* and accept offers from HUSI and HSBC Bank USA. Sabow,
4 Roberts, Rius and other HSBC executives identified in the paragraphs above acted with the actual
5 or apparent authority of each of the HSBC Entity Defendants. The HSBC Entity Defendants, as
6 alleged above, collaborated in the recruitment efforts, onboarded the defecting employees, and
7 ultimately benefited and intended to benefit from the Project Colony mass recruitment scheme.

8 321. Sabow and the HSBC Entities knew that the Individual Defendants each had a
9 duty of loyalty to their employer, First Citizens. Sabow and the HSBC Entities were familiar with
10 standard industry practices, including contracts and agreements between bank employers and
11 employees prohibiting unfair competition generally and the specific types of conduct in which
12 Sabow and the HSBC Entities had engaged. Sabow had signed such contracts and agreements
13 himself and the HSBC Entities require their employees to sign such contracts.

14 322. By directing and facilitating these individuals to lift out the SVB “profitability
15 engine” that belonged to First Citizens through a sudden mass resignation, these Defendants
16 knew they were facilitating and directing conduct that constitutes a breach of their duty of loyalty
17 to First Citizens.

18 ~~208. By and through the conduct described above, Sabow, Stepanis, Patel, Kidder, Longo,~~
19 ~~Hanlon, and Andersen each breached their duty of loyalty and/or their fiduciary duty.~~

20 ~~209. HSBC knew that Sabow, Stepanis, Patel, Kidder, Longo, Hanlon, and Andersen were~~
21 ~~breaching their duty of loyalty and/or their fiduciary duty. Sabow knew that Stepanis, Patel,~~
22 ~~Kidder, Longo, Hanlon, and Andersen were breaching their duty of loyalty and their fiduciary~~
23 ~~duty.~~

24 ~~210. HSBC aided and encouraged Sabow, Stepanis, Patel, Kidder, Longo, Hanlon, and~~
25 ~~Andersen in breaching their duty of loyalty and/or their fiduciary duty. Upon information and~~
26 ~~belief, HSBC instructed Sabow, Stepanis, Patel, Kidder, Longo, Hanlon, and Andersen to identify~~

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2 ~~the employees to be targeted, accepted the confidential and trade secret information they provided~~
3 ~~concerning these employees, assisted with and coordinated the Easter weekend interviews and~~
4 ~~offers, and coordinated the simultaneous 9:00 p.m. resignations on Easter Sunday. Upon~~
5 ~~information and belief, HSBC provided Sabow, Stepanis, Patel, Kidder, Longo, Hanlon, and~~
6 ~~Andersen with substantial financial incentives to induce them to breach their duty of loyalty~~
7 ~~and/or fiduciary duty.~~

9
10 323. ~~211.~~ Sabow aided ~~and encouraged Stepanis, Patel, Kidder, Longo, Hanlon, and~~
11 ~~Andersen~~ the Individual Defendants in breaching their duty of loyalty ~~and their fiduciary duty.~~
12 ~~Upon information and belief, Sabow instructed Stepanis, Patel, Kidder, Longo, Hanlon, and~~
13 ~~Andersen to identify the employees to be targeted, accepted the confidential and trade secret~~
14 ~~information they provided concerning these employees.~~ As First Citizens expects to establish
15 upon further investigation and discovery, Sabow (a) secured leadership positions and liability
16 protections for the Individual Defendants in exchange for their breach; (b) directed and advised
17 them to recruit specified First Citizens employees to resign en masse and accept offers of
18 employment from HSBC, and (c) assisted ~~with~~ and coordinated the Easter weekend interviews-
19 ~~and,~~ offers, and ~~coordinated the simultaneous 9:00 pm resignations on Easter Sunday. Upon~~
20 ~~information and belief, Sabow facilitated the provision of substantial financial incentives to~~
21 ~~Stepanis, Patel, Kidder, Longo, Hanlon, and Andersen to induce them~~ resignations. Through these
22 incentives, guidance, encouragement, and direct assistance, Sabow induced the Individual
23 Defendants to breach their duty of loyalty ~~and fiduciary duty~~ to facilitate the lift out and keep the
24 scheme a secret from First Citizens.

25 ~~212. HSBC's conduct was a substantial factor in causing the harm that Plaintiff sustained~~
26 ~~as a result of Sabow's, Stepanis's, Patel's, Kidder's, Longo's, Hanlon's, and Andersen's breaches~~
27 ~~of their duty of loyalty and/or their fiduciary duty. Sabow's conduct was a substantial factor in~~

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2 ~~causing the harm that Plaintiff sustained as a result of Stepanis's, Patel's, Kidder's, Longo's,~~
3 ~~Hanlon's, and Andersen's breaches of their duty of loyalty and their fiduciary duty.~~

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5 324. In addition to Sabow, agents of the HSBC Entities, including Michael Roberts and
6 Mabel Rius, were heavily involved in soliciting, onboarding, and orchestrating the Individual
7 Defendants' recruitment of First Citizens' employees. Together with Sabow and the Individual
8 Defendants, Roberts, Rius, and others interviewed and extended offers to First Citizens
9 employees, then welcomed them aboard when they joined HUSI and HSBC Bank USA.

10 325. Through these executives, the HSBC Entities aided and encouraged the Individual
11 Defendants in breaching their duty of loyalty. HUSI and HSBC Bank USA (a) offered the
12 Individual Defendants leadership positions and liability protections in exchange for the breach;
13 (b) directed and advised them to recruit specified First Citizens employees to resign en masse and
14 accept offers of employment from HUSI and HSBC Bank USA; and (c) assisted and coordinated
15 the Easter weekend interviews, offers, and resignations. Through these incentives, guidance,
16 encouragement, and direct assistance, the HSBC Entities caused the Individual Defendants to
17 breach their duty of loyalty to facilitate the lift out and keep the scheme a secret from First
18 Citizens.

19 326. The conduct of Sabow and the HSBC Entities was a substantial factor in causing
20 the harm that First Citizens sustained as a result of the Individual Defendants' breaches of their
21 duty of loyalty.

22 327. ~~213.~~ The foregoing conduct of Sabow and the HSBC Entities was willful and
23 malicious, was performed with intent to injure Plaintiff First Citizens, and was without
24 justification or privilege. ~~HSBC's~~ The conduct of Sabow and the HSBC Entities was undertaken
25 in furtherance of ~~its~~ their own personal interest. ~~The foregoing conduct of Sabow was willful and~~
26 ~~malicious, was performed with intent to injure Plaintiff, and was without justification or~~
27 ~~privilege. Sabow's conduct was undertaken in furtherance of his own personal interest.~~ interests.

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3 328. ~~214. Plaintiff~~ First Citizens has been damaged by ~~HSBC's~~ the HSBC Entities' and
4 Sabow's actions in an amount to be determined at trial, ~~but in excess of \$1 billion.~~

5 E. SEVENTH~~FIFTH~~ CAUSE OF ACTION

6 *(Tortious Interference with ~~First Citizens' Contracts and~~*
7 *~~SVB Obligations Against the HSBC Defendants~~ Entities and Sabow)*

8 329. ~~215. Plaintiff~~ First Citizens repeats, realleges, and incorporates paragraphs 1
9 through ~~214~~260 as if set forth ~~fully~~in full herein.

10 330. Between March 27 and April 9, 2023, Sabow, HUSI and HSBC Bank USA
11 encouraged, facilitated, and directed the Individual Defendants to engage in conduct that
12 constitutes a breach of their contractual obligations with First Citizens by recruiting specific First
13 Citizens employees to resign en masse and accept offers from HUSI and HSBC Bank USA, and
14 plotted to put First Citizens "out of business" while still First Citizens employees. Sabow,
15 Roberts, Rius and other HSBC executives discussed above acted with the actual or apparent
16 authority of all HSBC Entity Defendants. The HSBC Entity Defendants collaborated in the
17 recruitment efforts behind the scenes, onboarded the defecting employees, and ultimately
18 benefited and intended to benefit from the Project Colony mass recruitment scheme.

19 331. ~~216.~~ The ~~contracts~~ Confidentiality Agreements signed by Sabow, Patel, Stepanis,
20 Patel, Kidder, Longo, and Hanlon, ~~and Andersen~~ are valid and enforceable contracts.

21 332. The New Hire Acknowledgment agreements signed by the Individual Defendants
22 are valid and enforceable contracts.

23 ~~217. Upon information and belief,~~ The HSBC Entities knew ~~or should have known~~ about
24 the contracts signed by Sabow, ~~Stepanis, Patel, Kidder, Longo, Hanlon, and Andersen.~~ ~~Upon~~
25 ~~information and belief,~~ Sabow knew or should have known and the Individual Defendants. Sabow
26 knew about the contracts signed by the Individual Defendants.

27 333. ~~Stepanis~~ The HSBC Entities instructed, aided and encouraged Sabow, Patel,
28 Kidder Stepanis, Longo, and Hanlon, ~~and Andersen.~~ to engage in conduct that constituted a breach

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3 of their Confidentiality Agreements by directing and facilitating these Individual Defendants to
4 solicit, induce, and encourage First Citizens employees to terminate their relationship with First
5 Citizens and join HSBC. Agents of the HSBC Entities, including Michael Roberts and Mabel
6 Rius were heavily involved in soliciting, onboarding, and orchestrating Sabow, Patel, Stepanis,
7 Longo, and Hanlon’s recruitment of First Citizens’ employees. Together with these individual
8 defendants, Roberts and Rius interviewed and extended offers to First Citizens employees, then
9 welcomed them aboard when they joined HUSI and HSBC Bank USA.

10 ~~218. Upon information and belief, HSBC instructed, aided and encouraged Sabow,~~
11 ~~Stepanis, Patel, Kidder, Longo, Hanlon, and Andersen to engage in the conduct that constitutes a~~
12 ~~breach of their contracts. Upon information and belief, Sabow instructed, aided and encouraged~~
13 ~~Stepanis, Patel, Kidder, Longo, Hanlon, and Andersen to engage in the conduct that constitutes a~~
14 ~~breach of their contracts.—~~

15 ~~219. Upon information and belief, HSBC provided Sabow, Stepanis, Patel, Kidder,~~
16 ~~Longo, Hanlon, and Andersen with substantial financial incentives intended to induce them to~~
17 ~~breach their contracts. Upon information and belief, Sabow facilitated the provision of~~
18 ~~substantial financial incentives to Stepanis, Patel, Kidder, Longo, Hanlon, and Andersen intended~~
19 ~~to induce them to breach their contracts.~~

21 334. Through these executives, the HSBC Entities instructed, aided and encouraged
22 Sabow, Patel, Stepanis, Longo, and Hanlon to engage in conduct that constituted a breach their
23 Confidentiality Agreements with First Citizens. HUSI and HSBC Bank USA (a) offered Sabow,
24 Patel, Stepanis, Longo, and Hanlon leadership positions and liability protections in exchange for
25 the breach; (b) directed and advised them to recruit First Citizens employees to resign *en masse*
26 and accept offers of employment from HUSI and HSBC Bank USA; and (c) assisted and
27 coordinated the Easter weekend interviews, offers, and resignations. Through these incentives,
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3 guidance, encouragement, and direct assistance, the HSBC Entities caused Sabow, Patel,
4 Stepanis, Longo, and Hanlon to breach their contractual obligations to First Citizens by
5 facilitating the lift out of First Citizens' employees in secret.

6 335. Sabow instructed, aided and encouraged Patel, Stepanis, Longo, and Hanlon to
7 engage in the conduct that constitutes a breach of their Confidentiality Agreements by directing
8 and facilitating these defendants to solicit, induce, and encourage First Citizens employees to
9 terminate their relationship with First Citizens and join HSBC. As First Citizens expects to
10 establish upon further investigation and discovery, Sabow (a) secured leadership positions and
11 liability protections in exchange for their breach; (b) directed and advised them to recruit
12 specified First Citizens employees to resign *en masse* and accept offers of employment from
13 HSBC, and (c) assisted and coordinated the Easter weekend interviews, offers, and resignations.
14 Through these incentives, guidance, encouragement, and direct assistance, Sabow induced Patel,
15 Stepanis, Longo, and Hanlon to breach contracts with First Citizens by facilitating the lift out,
16 keeping the scheme a secret from First Citizens, and unfairly competing with First Citizens
17 during their employment.

18 336. Sabow, Patel, Stepanis, Longo, and Hanlon did in fact breach their Confidentiality
19 Agreements.

20 337. Sabow also instructed, aided and encouraged the Individual Defendants to engage
21 in conduct that constituted a breach of their New Hire Acknowledgment agreements, including by
22 assisting and directing the Individual Defendants to solicit, induce, and encourage First Citizens
23 employees to terminate their relationship with First Citizens and join HSBC. As First Citizens
24 expects to establish upon further investigation and discovery, Sabow (a) secured leadership
25 positions and liability protections in exchange for their breach; (b) directed and advised them to
26 recruit specified First Citizens employees to resign *en masse* and accept offers of employment
27 from HSBC, and (c) assisted and coordinated the Easter weekend interviews, offers, and
28 resignations. Through these incentives, guidance, encouragement, and direct assistance, Sabow

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3 caused the Individual Defendants to breach contracts with First Citizens by facilitating the
4 employee lift out, keeping the scheme a secret from First Citizens, and diverting business and
5 personnel away from First Citizens.

6 338. The HSBC Entities instructed, aided and encouraged the Individual Defendants to
7 engage in conduct that constituted a breach of their New Hire Acknowledgement agreements,
8 including by assisting and directing the Individual Defendants to solicit, induce, and encourage
9 First Citizens employees to terminate their relationship with First Citizens and join HSBC.
10 Agents of the HSBC Entities, including Michael Roberts and Mabel Rius were heavily involved
11 in orchestrating Sabow, Patel, Stepanis, Longo, and Hanlon’s recruitment of First Citizens’
12 employees. Together with these Individual Defendants, Roberts and Rius interviewed and
13 extended offers to First Citizens employees, then welcomed them aboard when they joined HUSI
14 and HSBC Bank USA.

15 339. Through these executives, the HSBC Entities instructed, aided and encouraged the
16 Individual Defendants to engage in conduct that constitutes a breach of their New Hire
17 Acknowledgement agreements with First Citizens. HUSI and HSBC Bank USA (a) offered the
18 Individual Defendants leadership positions and liability protections in exchange for the breach;
19 (b) directed and advised them to recruit First Citizens employees to resign *en masse* and accept
20 offers of employment from HUSI and HSBC Bank USA; and (c) assisted and coordinated the
21 Easter weekend interviews, offers, and resignations. Through these incentives, guidance,
22 encouragement, and direct assistance, the HSBC Entities caused Stepanis, Patel, Andersen,
23 Longo, Kidder, and Hanlon to breach their contractual obligations to First Citizens by facilitating
24 the employee lift out, keeping the scheme a secret from First Citizens, and diverting business and
25 personnel away from First Citizens.

26 340. ~~220. Sabow,~~ Stepanis, Patel, Kidder, Longo, Hanlon, and Andersen did in fact
27 breach their ~~contracts~~ New Hire Acknowledgment agreements.

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3 341. ~~221.~~ The foregoing conduct of the HSBC Entities and Sabow was willful and
4 malicious, was performed with intent to injure Plaintiff First Citizens, and was without
5 justification or privilege. ~~HSBC's and Sabow's~~ The conduct ~~were~~ of the HSBC entities and Sabow
6 was undertaken in furtherance of ~~it~~ their/his own personal interest.

7 342. ~~222.~~ Plaintiff First Citizens has been damaged by ~~HSBC's~~ the HSBC Entities' and
8 Sabow's actions in an amount to be determined at trial, ~~but in excess of \$1 billion.~~

9 **F. EIGHTH~~SIXTH~~ CAUSE OF ACTION**
10 ***(Tortious Interference with Prospective***
11 ***Economic Advantage Against All Defendants)***

12 343. ~~223.~~ Plaintiff First Citizens repeats, realleges, and incorporates paragraphs 1
13 through ~~222~~ 260 as if set forth ~~fully~~ in full herein.

14 344. Sabow and the HSBC Entities wished to take that which they could not or did not
15 purchase and put First Citizens "out of business." They accomplished this objective by
16 conspiring with, incentivizing, and inducing the Individual Defendants to breach their duty of
17 loyalty to divert First Citizens' employees and take First Citizens' business for their individual
18 and collective economic benefit. As employees and agents of the HSBC Entities, acting with the
19 HSBC's actual or apparent authority, Sabow and other HSBC executives executed the Project
20 Colony plan to raid First Citizens' "profitability engine" for the HSBC Entities.

21 345. ~~224.~~ Defendants knew that Plaintiff First Citizens entered into a purchase and
22 assumption agreement with the FDIC for ~~all~~ certain of the assets of the Bridge Bank.

23 346. ~~225.~~ Defendants knew that Plaintiff First Citizens stood to profit from the purchase-
24 ~~of SVB.~~ They understood that as a result of the purchase, Plaintiff First Citizens would gain
25 increased market share through access to new customers and markets. They likewise understood
26 that Plaintiff First Citizens would profit through cross-selling opportunities, such as by gaining
27 access to new products and services arising from SVB's unique market. They also knew that
28 Plaintiff First Citizens would profit by continuing to employ key members of SVB's workforce.

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2 ~~226. HSBC wished to steal that which it could not or did not purchase, and it conspired~~
3 ~~with the Individual Defendants to engage in the misconduct described above to effectuate the~~
4 ~~theft of First Citizens' business for their collective economic benefit.~~

5
6 347. ~~227.~~ By and through their ~~wrongful conduct described above,~~ breaches of duty of
7 loyalty, the Individual Defendants disrupted Plaintiff's First Citizens' employment relationships
8 with First Citizens' employees, ~~and Defendants~~ disrupted Plaintiff's First Citizens' economic
9 relationships with First Citizens' customers.

10 348. ~~228.~~ The foregoing conduct of Defendants was willful and malicious, was
11 performed with intent to injure Plaintiff First Citizens, and was without justification or privilege.
12 The Defendants' conduct was undertaken in furtherance of their own personal interest.

13 349. ~~229.~~ Plaintiff First Citizens has been damaged by Defendants' actions in an amount
14 to be determined at trial, ~~but in excess of \$1 billion.~~

15 **G. SEVENTH CAUSE OF ACTION**

16 **(Unfair and Deceptive Trade Practices,**
17 **NCGS § 75-1.1 et seq. Against All Defendants)**

18 350. First Citizens repeats, realleges, and incorporates paragraphs 1 through 260 as if
19 set forth in full herein.

20 351. Defendants engaged in unfair and unethical competition by executing a mass
21 departure of First Citizens' key employees, inducing Individual Defendants' breach of their
22 agreements and duty of loyalty, and engaging in a coordinated action undertaken for the purpose
23 of gaining a competitive advantage over First Citizens and damaging its ability to maintain its
24 market share and customers.

25 352. Defendants engaged in unfair and deceptive competitive acts, which occurred prior
26 to and have continued after First Citizens' acquisition of SVB on March 27, 2023, including but
27 not limited to: (a) participating in a scheme to surreptitiously cause employee departures in the
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3 form of mass resignations in such a manner that was unfair and calculated to, and did, handicap
4 and damage First Citizens due to its loss of forty-two employees in carefully identified business
5 units on Easter Sunday, while also giving the Defendants the significant benefit of lifting out a
6 readymade life sciences venture capital team in order to position HSBC as “an integrated partner
7 in the U.S. innovation ecosystem thereby obtaining a competitive advantage through unlawful
8 means; (b) deceiving First Citizens’ representatives about Defendants’ unfair competitive
9 endeavors; (c) concealing Defendants’ unethical and unscrupulous conduct described above;
10 (d) fraudulently scheming to divert business opportunities away from First Citizens; (e) utilizing
11 First Citizens’ employees to assist in unlawfully competing against First Citizens; (f) utilizing
12 First Citizens’ resources to compete against First Citizens; (g) utilizing First Citizens’ managerial
13 employees to solicit key employees while both the soliciting and solicited employees were still
14 employed by First Citizens; and (h) gaining an unfair competitive advantage through deceit, theft,
15 and other unlawful, unethical, and unscrupulous conduct constituting unfair and deceptive trade
16 practices in violation of NCGS § 75-1.1.

17 353. Defendants’ unfair trade practices were in or affecting commerce within the
18 meaning of NCGS § 75-1.1.

19 354. Defendants’ conduct as set forth herein is unethical, immoral, unscrupulous and
20 deceptive.

21 355. First Citizens has been damaged by Defendants’ actions in an amount to be
22 determined at trial.

23 356. As a proximate result of Defendants’ unfair and deceptive conduct, First Citizens
24 is entitled to all relief permitted under NCGS § 75-1.1 et seq., including but not limited to treble
25 damages and attorney fees set forth in NCGS §§ 75-16 and 75-16.1.

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H. NINTHE EIGHTH CAUSE OF ACTION

*(Violation of the Defend Trade Secrets Act,
18 U.S.C. § 1836 Against All Defendants)*

357. ~~230. Plaintiff~~ First Citizens repeats, realleges, and incorporates paragraphs 1 through ~~229~~260 as if set forth ~~fully~~in full herein.

358. ~~231.~~ The confidential and proprietary information described above constitutes ~~Plaintiff's~~ First Citizens' trade secrets.

359. ~~232.~~ This information is valuable because ~~Plaintiff~~ First Citizens, and SVB before it, ~~have~~ invested great sums of money and years of effort to create the information, ~~and it~~which is not generally known or readily accessible, through proper means, to others (~~like~~such as the HSBC Entities), who can profit from its disclosure or use.

360. ~~233. Plaintiff~~ First Citizens, and SVB before it, ~~have taken more than adequate~~took reasonable measures under the circumstances to maintain the secrecy of this information, including requiring passwords to be used to access Company computer systems and records, restricting access to business premises, and having employees such as the Individual Defendants sign contracts that expressly prohibit, among other things described above, the use, removal and disclosure of such information outside of the Company. This includes the Confidentiality Agreements and New Hire Acknowledgement agreements addressed above, and the written policies mentioned within the New Hire Acknowledgement agreements, with which employees are required to comply.

361. ~~234.~~ In addition, like First Citizens, SVB required the Individual Defendants and Sabow to sign and abide by various policies the content of which contain reasonable steps to maintain the secrecy of the information the Defendants misappropriated in this case. This includes a Code of Conduct Acknowledgment Form, which stated "I acknowledge and confirm that I have received, read, and understood the policy document listed below [i.e., the SVB Code of Conduct] and agree to comply with its requirements. True and correct copies of the Code of

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3 Conduct Acknowledgement Forms executed by the Individual Defendants ~~are attached as~~
4 ~~Exhibits Y~~ and Sabow are filed with this Court as ECF Nos. 1-25 through ~~EE~~ 1-31 and
5 incorporated ~~by reference~~ as if set forth fully in full herein.

6 362. ~~235.~~ The SVB Code of Conduct ~~state~~ states that it “applies to all employees and
7 entities of SVB Financial Group (SVBFG) and its subsidiaries” and that the employees “are
8 required to comply with the Code” and must “protect Company assets.” A true and correct copy
9 of the SVB Code of Conduct is ~~attached as Exhibit FF~~ filed with this Court as ECF No. 1-32 and
10 incorporated ~~by reference~~ as if set forth fully in full herein.

11 363. ~~236.~~ The Code of Conduct requires employees, among other things, to report Code
12 violations or suspected violations, refrain from any actions that constitute or can be perceived as
13 constituting conflicts of interest, disclose conflicts of interest, to adhere to applicable policies
14 concerning the use of Confidential Information, and to refrain from using, disclosing, transmitting
15 or releasing any financial or other Confidential Information regarding SVB or any of its current or
16 prospective ~~client~~ clients except when necessary for a required business purpose.

17 364. ~~237.~~ In addition, SVB required the Individual Defendants (~~except Sabow~~) to sign
18 an Employee Handbook Acknowledgment Form for the SVB Employee Handbook – United
19 States of America. (~~Sabow signed the Acknowledgement Form for the SVB UK Employee~~
20 ~~Handbook~~). The Acknowledgement Form for the US Handbook stated “I acknowledge and
21 confirm that I have received, read, and understood the policy document listed below [i.e., the
22 SVB Employee Handbook – United States of America] and agree to comply with its
23 requirements. True and correct copies of the Employee Handbook Acknowledgement Forms
24 executed by the Individual Defendants (~~excluding Sabow~~) are attached as ~~Exhibits GG~~ are filed
25 with this Court as ECF Nos. 1-33 through ~~LL~~ 1-38 and incorporated ~~by reference~~ as if set forth
26 fully in full herein.

27 365. ~~238.~~ The SVB Employee Handbook states that employees must, among other
28 things avoid conflicts of interest; avoid actions that are dishonest, fraudulent or that jeopardize

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3 the security of SVB’s operations, its employees or clients; limit transmission of Confidential
4 Information (even within SVB) to purposes that are necessary for a legitimate business purpose;
5 comply with the Code of Conduct; understand and comply with SVB’s applicable information
6 security policies; and return all property including Confidential Information in any form upon the
7 end of their employment.

8 366. ~~239.~~ The Bridge Bank adopted SVB’s Code of Conduct, policies, procedures, and
9 compliance regime.

10 367. Project Colony was based on and contained trade secret information belonging to
11 First Citizens. Project Colony was developed, revised, and implemented by Defendants, acting
12 individually and in concert with each other, after March 27, 2023, when First Citizens acquired
13 SVB from Bridge Bank. The trade secrets contained in Project Colony were possessed and used
14 by Defendants after March 27, 2023.

15 368. ~~240.~~ The Individual Defendants and Sabow misappropriated ~~Plaintiff’s~~ First
16 Citizens’ trade secrets by disclosing them to the HSBC Entities as part of Project Colony despite
17 knowing they had a duty to maintain their secrecy. Each Individual Defendant (Hanlon, Kidder,
18 Longo, Stepanis, Andersen, and Patel) and Sabow received copies of and knew that Project
19 Colony contained trade secrets. Each Individual Defendant and Sabow possessed and used the
20 trade secrets when participating in and implementing Project Colony after March 27, 2023.

21 369. ~~241.~~ Each HSBC entity or their agents was provided with copies of the Project
22 Colony document. Each HSBC entity misappropriated ~~Plaintiff’s~~ First Citizens’ trade secrets by
23 acquiring them through improper means including through breach or inducement of a breach of a
24 duty to maintain secrecy.

25 370. ~~242.~~ All Defendants misappropriated ~~Plaintiff’s~~ First Citizens’ trade secrets by
26 using them despite knowing that they were acquired under circumstances giving rise to a duty to
27 maintain their secrecy.

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3 371. ~~243. Plaintiff~~ First Citizens did not consent to the use and disclosure of its trade
4 secrets, nor did it consent to ~~HSBC's~~ the acquisition of its trade secrets by the HSBC Entities.

5 372. ~~244. Plaintiff's~~ First Citizens' trade secrets at issue in this case are related to
6 products and services that are placed in or are intended to be placed in, interstate or foreign
7 commerce due to the fact that SVB's products and services are used and sold across the United
8 States and internationally.

9 373. ~~245.~~ Defendants expended great effort to conceal their misappropriation of
10 ~~Plaintiff's~~ First Citizens' trade secrets including by expediting the use of trade secrets over the
11 course of Easter weekend so that ~~Plaintiff~~ First Citizens would be caught by surprise.

12 374. ~~246. Upon information and belief~~ As First Citizens expects to establish upon
13 further investigation and discovery, Defendants intend to continue using ~~Plaintiff's~~ First Citizens'
14 trade secrets.

15 375. ~~247.~~ Defendants' misappropriation of ~~Plaintiff's~~ First Citizens' trade secrets was
16 willful and malicious, was performed with intent to injure ~~Plaintiff~~ First Citizens, and was without
17 justification or privilege. Defendants' conduct was undertaken in furtherance of their own
18 personal interest.

19 376. ~~248. Plaintiff~~ First Citizens has been damaged by Defendants' actions in an amount
20 to be determined at trial, ~~but in excess of \$1 billion~~.

21 **I. ~~TENTH~~ NINTH CAUSE OF ACTION**

22 *(Violation of the California Uniform Trade Secrets Act,*
23 *Cal. Civ. Code § 3426, And/Or the North Carolina Trade Secrets*
Protection Act, § 66-152 et seq. Against All Defendants)

24 377. ~~249. Plaintiff~~ First Citizens repeats, realleges, and incorporates paragraphs 1
25 through ~~248~~ 260 as if set forth ~~fully~~ in full herein.

26 378. ~~250.~~ The confidential and proprietary information described above constitutes
27 ~~Plaintiff's~~ First Citizens' trade secrets.

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3 379. ~~251.~~ This information is valuable because Plaintiff First Citizens, and SVB before
4 it, ~~have~~ invested great sums of money and years of effort to create the information, ~~and it~~ which is
5 not generally known ~~to the public or~~ or readily accessible through proper means to others
6 (~~like~~ such as the HSBC Entities), who can profit from its disclosure or use.

7 380. ~~252.~~ Plaintiff First Citizens, and SVB before it, ~~have taken more than~~ took
8 reasonable measures under the circumstances to maintain the secrecy of this information,
9 including requiring passwords to be used to access Company computer systems and records,
10 restricting access to business premises, and having employees such as the Individual Defendants
11 sign contracts that expressly prohibit, among other things described above, the use, removal and
12 disclosure of such information outside of the Company. This includes the Confidentiality
13 Agreements and New Hire Acknowledgement agreements addressed above, and the written
14 policies mentioned within the New Hire Acknowledgement agreements, with which employees
15 are required to comply.

16 381. ~~253.~~ In addition, ~~SVB and~~ like First Citizens, SVB required the Individual
17 Defendants and Sabow to sign and abide by various policies ~~as described above~~ the content of
18 which contain reasonable steps to maintain the secrecy of the information the Defendants
19 misappropriated in this case. This includes a Code of Conduct Acknowledgment Form, which
20 stated “I acknowledge and confirm that I have received, read, and understood the policy
21 document listed below [i.e., the SVB Code of Conduct] and agree to comply with its
22 requirements. True and correct copies of the Code of Conduct Acknowledgement Forms executed
23 by the Individual Defendants and Sabow are filed with this Court as ECF Nos. 1-25 through 1-31
24 and incorporated as if set forth in full herein.

25 ~~254. The Individual Defendants misappropriated Plaintiff’s trade secrets by disclosing~~
26 ~~them to HSBC despite knowing they had a duty to maintain their secrecy.~~

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2 ~~255. All Defendants misappropriated Plaintiff's trade secrets by using them despite~~
3 ~~knowing that they were acquired under circumstances giving rise to a duty to maintain their~~
4 ~~secrecy.~~
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6 382. The SVB Code of Conduct states that it “applies to all employees and entities of
7 SVB Financial Group (SVBFG) and its subsidiaries” and that the employees “are required to
8 comply with the Code” and must “protect Company assets.” A true and correct copy of the SVB
9 Code of Conduct is filed with this Court as ECF No. 1-32 and incorporated as if set forth in full
10 herein.

11 383. The Code of Conduct requires employees, among other things, to report Code
12 violations or suspected violations, refrain from any actions that constitute or can be perceived as
13 constituting conflicts of interest, disclose conflicts of interest, to adhere to applicable policies
14 concerning the use of Confidential Information, and to refrain from using, disclosing, transmitting
15 or releasing any financial or other Confidential Information regarding SVB or any of its current or
16 prospective clients except when necessary for a required business purpose.

17 384. In addition, SVB required the Individual Defendants to sign an Employee
18 Handbook Acknowledgment Form for the SVB Employee Handbook – United States of America.
19 The Acknowledgement Form for the US Handbook stated “I acknowledge and confirm that I have
20 received, read, and understood the policy document listed below [i.e., the SVB Employee
21 Handbook – United States of America] and agree to comply with its requirements. True and
22 correct copies of the Employee Handbook Acknowledgement Forms executed by the Individual
23 Defendants are filed with this Court as ECF Nos. 1-33 through 1-38 and incorporated as if set
24 forth in full herein.

25 385. The SVB Employee Handbook states that employees must, among other things
26 avoid conflicts of interest; avoid actions that are dishonest, fraudulent or that jeopardize the
27 security of SVB’s operations, its employees or clients; limit transmission of Confidential
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3 Information (even within SVB) to purposes that are necessary for a legitimate business purpose;
4 comply with the Code of Conduct; understand and comply with SVB’s applicable information
5 security policies; and return all property including Confidential Information in any form upon the
6 end of their employment.

7 386. The Bridge Bank adopted SVB’s Code of Conduct, policies, procedures, and
8 compliance regime.

9 387. Project Colony was based on and contained trade secret information belonging to
10 First Citizens. Project Colony was developed, revised, and implemented by Defendants, acting
11 individually and in concert with each other, after March 27, 2023, when First Citizens acquired
12 SVB from Bridge Bank. The trade secrets contained in Project Colony were possessed and used
13 by Defendants after March 27, 2023.

14 388. The Individual Defendants and Sabow misappropriated First Citizens’ trade
15 secrets by disclosing them to the HSBC Entities as part of Project Colony despite knowing they
16 had a duty to maintain their secrecy. Each Individual Defendant (Hanlon, Kidder, Longo,
17 Stepanis, Andersen, and Patel) and Sabow received copies of and knew that Project Colony
18 contained trade secrets. Each Individual Defendant and Sabow possessed and used the trade
19 secrets when participating in and implementing Project Colony after March 27, 2023.

20 389. ~~256.~~ Each HSBC entity or their agents was provided with copies of the Project
21 Colony document. Each HSBC entity misappropriated ~~Plaintiff’s~~ First Citizens’ trade secrets by
22 acquiring them through improper means including through breach or inducement of a breach of a
23 duty to maintain secrecy.

24 390. All Defendants misappropriated First Citizens’ trade secrets by using them despite
25 knowing that they were acquired under circumstances giving rise to a duty to maintain their
26 secrecy.

27 391. ~~257.~~ Plaintiff First Citizens did not consent to the use and disclosure of its trade
28 secrets, nor did it consent to ~~HSBC’s~~ the acquisition of its trade secrets by the HSBC Entities.

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3 392. First Citizens’ trade secrets at issue in this case are related to products and services
4 that are placed in or are intended to be placed in, interstate or foreign commerce due to the fact
5 that SVB’s products and services are used and sold across the United States and internationally.

6 393. 258. Defendants expended great effort to conceal their misappropriation of
7 Plaintiff’s First Citizens’ trade secrets including by expediting the use of trade secrets over the
8 course of Easter weekend so that Plaintiff First Citizens would be caught by surprise.

9 394. 259. Upon information and belief As First Citizens expects to establish upon
10 further investigation and discovery, Defendants intend to continue using Plaintiff’s First Citizens’
11 trade secrets.

12 395. 260. Defendants’ misappropriation of Plaintiff’s First Citizens’ trade secrets was
13 willful and malicious, was performed with intent to injure Plaintiff First Citizens, and was without
14 justification or privilege. ~~The~~ Defendants’ conduct was undertaken in furtherance of their own
15 personal interest.

16 396. 261. Plaintiff First Citizens has been damaged by Defendants’ actions in an amount
17 to be determined at trial, ~~but in excess of \$1 billion.~~

18 **ELEVENTH CAUSE OF ACTION**

19 **(Violation of the Computer Fraud and Abuse Act,**

20 **18 U.S.C. § 1030 Against Sabow and the HSBC Defendants)**

21 ~~262. Plaintiff repeats, realleges, and incorporates paragraphs 1 through 261 as if set forth~~
22 ~~fully herein.~~

23 ~~263. The computer system used by the employee from whom Sabow requested~~
24 ~~information via instant message on March 16, 2023 is a “protected computer” pursuant to 18~~
25 ~~U.S.C. § 1030 in that it was and is a computer used regularly and consistently by the Company to~~

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2 ~~conduct business and communicate throughout the United States, and thus, in and affecting~~
3 ~~interstate commerce or communication.~~

4
5 ~~264. The computer system used by the employee who emailed himself a spreadsheet on~~
6 ~~Monday, April 10, 2023, the day after the Easter Sunday raid (i.e., the day after the employee~~
7 ~~participated in the *en masse* resignation from First Citizens to join the Individual Defendants at~~
8 ~~HSBC) is a “protected computer” pursuant to 18 U.S.C. § 1030 in that it was and is a computer~~
9 ~~used regularly and consistently by the Company to conduct business and communicate throughout~~
10 ~~the United States, and thus, in and affecting interstate commerce or communication.~~

11
12 ~~265. The Defendants were not authorized to access or use the Company’s computer~~
13 ~~systems for the purpose of misappropriating the Company’s confidential, proprietary and trade~~
14 ~~secret information. Nor were the Defendants authorized to access the Company’s computer~~
15 ~~systems indirectly through Company employees or by directing, inducing, or encouraging~~
16 ~~Company employees to do so without authorization or in excess of any authorization.~~

17
18 ~~266. By engaging in the wrongful actions alleged herein, the Defendants knowingly and~~
19 ~~wrongfully obtained information from the protected computers with the intent to defraud the~~
20 ~~Company and to further their illicit conspiracy; used such protected computers for fraudulent~~
21 ~~purposes; misappropriated valuable information belonging to the Company from the protected~~
22 ~~computers; and damaged the integrity of the information stored on the protected computers.~~

23
24 ~~267. The damage that the Defendants caused to the protected computers and the~~
25 ~~information stored therein resulted in, among other things, the impairment to the integrity,~~
26 ~~confidentiality, and availability of data, programs, systems, and information contained in the~~
27 ~~protected computers.~~

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2 ~~268. Based upon such wrongful actions, the Company has incurred losses exceeding~~
3 ~~\$5,000.00 in a one-year period; the costs of responding to the wrongful actions of the Defendants,~~
4 ~~conducting damage assessments, identifying and tracing the information the Defendants have~~
5 ~~misappropriated, and restoring data, programs, systems, and information to the conditions in~~
6 ~~which they existed prior to the Defendants' wrongful activity; lost revenue; and other~~
7 ~~consequential damages incurred by the Company related thereto.~~

8
9 ~~269. As a result of the wrongful acts alleged herein, the Defendants caused the Company~~
10 ~~to be damaged in an amount to be determined at trial and in excess of the jurisdictional threshold.~~

11
12 J. ~~TWELFTH~~TENTH CAUSE OF ACTION

13 *(Civil Conspiracy Against All Defendants)*

14 397. ~~270.~~ Plaintiff First Citizens repeats, realleges, and incorporates paragraphs 1
15 through ~~269~~260 as if set forth ~~fully~~in full herein.

16 398. ~~271.~~ Defendants (between them and with others) formed and operated a malicious
17 combination with a common design to injure Plaintiff First Citizens by (a) performing unlawful
18 acts by violating Plaintiff's First Citizens' contractual, statutory and common law rights as
19 described above for the unlawful purpose of diverting business and economic gain from
20 Plaintiff First Citizens, and/or (b) performing the lawful acts of competing with Plaintiff First
21 Citizens and hiring certain of Plaintiff's First Citizens' personnel, but ~~to do~~doing so through the
22 unlawful means of violating Plaintiff's First Citizens' contractual, statutory and common law
23 rights as described above.

24 399. ~~272.~~ The foregoing conduct of the Defendants was malicious, was performed with
25 intent to injure Plaintiff First Citizens, and was without justification or privilege. Sabow and the
26 Individual Defendants' conduct was undertaken in furtherance of their own personal interests and
27 for the benefit of HSBC.

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3 400. ~~273.~~ One or some or all of the Defendants engaged in overt unlawful acts and
4 conduct violative of ~~Plaintiff's~~ First Citizens' contractual, common law and statutory rights as
5 described above, and did so with the knowledge, aid, agreement, and support of the other
6 Defendants, causing actual harm to ~~Plaintiff~~ First Citizens.

7 401. ~~274.~~ By virtue of the formation and operation of this conspiracy by Defendants,
8 and as a consequence of the above-described wrongful acts and conduct and the harm and injury
9 caused to ~~Plaintiff~~ First Citizens thereby, each Defendant as a participant in this conspiracy is
10 liable as a joint tortfeasor for each and every one of the above-described acts committed by each
11 Defendant/co-conspirator.

12 402. ~~275.~~ ~~Plaintiff~~ First Citizens has been damaged by Defendants' actions in an amount
13 to be determined at trial, ~~but in excess of \$1 billion~~.

14 **VIII. PRAYER FOR RELIEF**

15 WHEREFORE, ~~Plaintiff~~ First Citizens demands judgment in its favor and jointly and
16 severally against Defendants on each and every count, together with the following relief:

- 17 A. An award of damages for such actual losses as may be proven at trial in an amount to
18 exceed \$1 billion; and/or
19
20 B. an award of damages for unjust enrichment caused by the Defendants' unauthorized
21 use or disclosure of confidential information and trade secrets belonging to
22 ~~Plaintiff~~ First Citizens which are not otherwise addressed in computing actual losses;
23 and/or
24
25 C. in lieu of damages measured by other methods, an award of reasonable royalties for
26 the Defendants' unauthorized use or disclosure of ~~Plaintiff's~~ First Citizens'
27 confidential information and trade secrets; and/or
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- D. an award of punitive and/or exemplary and/or treble damages as permitted by law in an amount to be proved at trial; and/or
- E. an award of attorneys’ fees, costs, and interest as permitted by law; and/or
- F. an award for prejudgment interest; and/or
- G. such other and further relief as this Court deems just and equitable.

IX. JURY DEMAND

Pursuant to Federal Rule of Civil Procedure 38(b), **Plaintiff** First Citizens hereby demands trial by jury of all issues properly triable thereby.

Dated: ~~May 22~~ February 7, 2023 ~~2024~~

By: /s/
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Summary report:	
Litera Compare for Word 11.6.0.100 Document comparison done on 2/7/2024 2:51:32 PM	
Style name: Evelyn's Style	
Intelligent Table Comparison: Active	
Original filename: First Citizens HSBC FINAL Complaint FILE.docx	
Modified filename: 2024-02-07 - First Citizens v. HSBC - First Amended Complaint.docx	
Changes:	
<u>Add</u>	1368
Delete	896
Move From	55
<u>Move To</u>	55
<u>Table Insert</u>	2
Table Delete	2
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	2
Embedded Excel	0
Format changes	0
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