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23 *First-Citizens Bank & Trust Company*

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

26 FIRST-CITIZENS BANK & TRUST )  
27 COMPANY, a Delaware Corporation, )  
28 Plaintiff, )

vs. )

29 HSBC HOLDINGS plc a/k/a THE HSBC GROUP )  
30 a/k/a HONGKONG AND SHANGHAI BANKING )  
31 CORPORATION, an English Corporation; HSBC )  
32 USA Inc., a Delaware Corporation; HSBC BANK )  
33 USA, N.A., a Delaware Corporation; HSBC UK )  
34 BANK plc., an English and Welsh Corporation; )  
35 SILICON VALLEY BANK UK LIMITED, an )  
36 English and Welsh Corporation; DAVID )  
37 SABOW, an individual; SUNITA PATEL, an )  
38 individual; MELISSA STEPANIS, an individual; )  
PETER KIDDER, an individual; KEVIN LONGO, )

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

**DEMAND FOR JURY TRIAL**

1 an individual; REBEKAH HANLON, an individual; )  
2 and KATHERINE ANDERSEN, an individual, )  
3 \_\_\_\_\_ )  
4 Defendants. )

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

11  
12 **INTRODUCTION**

13 On March 27, 2023, First Citizens acquired Silicon Valley Bank (“SVB”), which had failed two  
14 weeks before. Unbeknownst to First Citizens, Defendants were already weeks into executing a scheme  
15 to plunder what they believed to be the “core of [SVB’s] profitability engine.” Defendants brazenly took  
16 and misused SVB’s confidential, proprietary and trade secret information to execute their scheme.  
17 Indeed, Defendant David Sabow, the chief architect of this scheme, acted as if SVB’s “profitability  
18 engine”—and the proprietary information about it—was his for the taking. He was wrong.  
19

20 Just two weeks after First Citizens acquired SVB, Defendants executed the first “wave” of their  
21 scheme, raiding forty-two First Citizens employees around 9:00 p.m. on Easter Sunday. Over the course  
22 of about thirty minutes, these employees resigned *en masse* by e-mail, effective immediately. Led to  
23 HSBC by Sabow, who had promised them great fortune for their defection, HSBC onboarded all forty-  
24 two employees without delay.  
25

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

1 excess of \$1 billion.

2 **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 government regulators. Within forty-eight  
5 hours, the Federal Deposit Insurance Corporation (“FDIC”) assumed control of SVB and began  
6 looking for a healthy and stable bank to buy it.  
7

8 2. A similar process played out across the Atlantic, where the Bank of England exercised  
9 its supervisory powers to seize the assets of SVB’s UK affiliate, SVB UK. While it would take weeks  
10 for SVB to find a new home in the United States with First Citizens, SVB UK was acquired by  
11 Defendant HSBC on Monday, March 13, 2023, for a nominal £1 (approximately \$1.21).  
12

13 3. Upon information and belief, Sabow became an executive of HSBC within days of  
14 HSBC’s acquisition of SVB UK. Sabow had been a senior executive of SVB just months before.  
15 Together, HSBC and Sabow immediately engineered a scheme to plunder what Sabow deemed the  
16 “core of [SVB’s] profitability engine.” Sabow metaphorically called this scheme “Project Colony.”  
17 As a recent SVB senior executive, he was uniquely situated to lead the execution of this scheme. In  
18 doing so, Sabow and the other Individual Defendants unlawfully obtained and then misappropriated (or  
19 conspired to obtain and misappropriate) SVB’s confidential, proprietary and trade secret information.  
20

21 That information included:

- 22 • tables of data reflecting SVB’s U.S. Accelerator & Growth “win rate” and volumes against  
23 its core competitors;
- 24 • data and the underlying analysis supporting SVB’s market share within the particular U.S.  
25 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 team  
28 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;

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

12 4. Sabow’s scheme required HSBC “to move quickly” to hire “six identified core leaders

13 in the U.S.,” along with an initial wave of an “additional 35 professionals already identified” who were

14 also SVB employees. Sabow deemed these six core leaders the “Founders.” Upon information and

15 belief, Defendants Patel, Stepanis, Kidder, Longo, Hanlon, and Andersen were chosen as the

16 “Founders” because Sabow considered them to be the “key functional leaders” with “superb client and

17 employee followership.” In fact, First Citizens likewise considered these individuals to be “key

18 functional leaders” and had anticipated them being members of First Citizens’ transition team to lead

19 post-acquisition activity for the combined SVB-First Citizens team.

20

21 5. With HSBC’s blessing and encouragement, Sabow and HSBC promised the Founders

22 leadership roles and fortune at HSBC—so long as they joined Sabow’s quest to “lift out” the additional

23 thirty-five to forty employees from SVB’s “profitability engine.”

24

25 6. Upon information and belief, HSBC leadership agreed to help orchestrate and to fund

26 Project Colony by hiring the forty-two employees that Sabow had projected because Sabow told HSBC

27 that it stood to profit well over \$1 billion from this plan within the next five years.

28

1           7.       Sabow’s written financial projections in Project Colony were based on, and  
2 incorporated, SVB’s confidential, proprietary and trade secret information. And this went well beyond  
3 his own knowledge, which he was contractually and by common law bound to keep confidential.

4           8.       Indeed, when Sabow needed additional proprietary information of SVB’s to fill in parts  
5 of “Project Colony,” he got it from some of the individually named Defendants as well as other,  
6 unsuspecting SVB employees in the United States—sometimes telling them (falsely) it was okay  
7 because he was coming back to SVB in the U.S. In one instance, after an employee asked Sabow  
8 whether he still worked for SVB, Sabow directed the employee to send the proprietary information he  
9 sought to Defendant Patel. Patel obtained that proprietary information and provided it to Sabow to  
10 help develop Project Colony.  
11

12           9.       By improperly obtaining and misusing SVB’s confidential and proprietary information,  
13 HSBC and Sabow short-circuited the normally expensive and lengthy process to do things such as  
14 conduct market research and develop competent financial projections necessary for launching a  
15 commercial banking business of the nature contemplated by Project Colony. Instead, in a matter of a  
16 few weeks, HSBC and the Individual Defendants were able to develop and execute Project Colony. In  
17 Sabow’s own words, Project Colony was about “recreating a better version of the prior dominant  
18 platform” at SVB.  
19

20           10.      While formulating Project Colony, Sabow noted that “*if a no name regional bank*  
21 *acquires the team and assets*, I am going to build something to *put them out of business*, because our  
22 team members and the market deserves better.” (emphasis added). Sabow also asked some of the other  
23 Individual Defendants to plan for “what parts of SVB” they would want to “retain” and to dream about  
24 what they could do with those assets. Sabow ambitiously viewed the SVB team as his own, and it did  
25 not matter to him that “the team and assets” were not his to sell.  
26  
27  
28

1           11.     After Sabow and HSBC financially incited the “Founders,” each “Founder” was  
2 tasked with recruiting their “key professional” subordinates. Undeterred by their fiduciary duties owed  
3 to First Citizens and, for some of them, their contractual obligations not to solicit fellow employees,  
4 the Founders conspired with Sabow to execute Project Colony. Never once did they communicate to  
5 First Citizens’ leaders that the business was under attack from within.  
6

7           12.     Over Easter weekend, HSBC, Sabow, and the six Founders (who were at that time  
8 employees of First Citizens) orchestrated a massive lift-out by extending high-pressure offers to select  
9 First Citizens employees, arranging virtual meetings and direct communications with one or more  
10 HSBC senior executives, preparing and coordinating *en masse* resignations, and ensuring immediate  
11 onboarding with HSBC. Like Sabow’s written financial projections for Project Colony, the  
12 employment and compensation offers were formulated using SVB’s confidential information.  
13

14           13.     Around nine o’clock on Easter Sunday evening, April 9, 2023, more than forty First  
15 Citizens employees, including the six Founders, began submitting their resignations via e-mail,  
16 effective immediately. Within approximately thirty minutes they had all resigned without any prior  
17 notice to First Citizens. Some of these employees took with them additional confidential and  
18 proprietary information belonging to First Citizens and valuable client relationships.  
19

20           14.     If stable banks are to be incited to rescue failed banks to restore financial stability,  
21 opportunistic competitors and insiders cannot take and replicate the bank’s assets—its highly sensitive  
22 confidential, proprietary and trade secret information—before the resolution can be implemented, like  
23 HSBC and the Individual Defendants did here. To permit otherwise not only condones a breach of  
24 legal obligations but discourages stable banks from coming to the rescue when other banks fail.  
25

26           15.     The “profitability engine” of SVB was never Sabow’s to sell or take. Nor was it his to  
27 “colonize.” Rather, First Citizens properly acquired it through the process established by the  
28 government to protect SVB’s customers and maintain the integrity of the financial system. First

1 Citizens did so with the reasonable expectation that the purchase would be free from unlawful  
2 interference by third parties.

3 16. First Citizens remains the healthy and stable bank it has been for 125 years. But as with  
4 any other rescuer of a failed bank, First Citizens is entitled to protect its rights of exclusive ownership  
5 of its property. Defendants have wrongfully interfered with those rights, and First Citizens is entitled  
6 to compensation from them. First Citizens' claims against Defendants relate to Defendants' theft and  
7 interference with the property rights that First Citizens acquired, the resulting disruption to First  
8 Citizens' business operations, and the loss of future profits.

9  
10 **THE PARTIES**

11 17. Plaintiff First-Citizens Bank & Trust Company is a corporation organized under the  
12 laws of the state of Delaware, with its principal place of business located at 4300 Six Forks Road,  
13 Raleigh, North Carolina 27609.

14 18. Defendant HSBC Holdings plc *a/k/a* The HSBC Group *a/k/a* Hongkong and Shanghai  
15 Banking Corporation is a corporation organized under the laws of England, with its headquarters  
16 located at 8 Canada Square, London E14 5HQ, United Kingdom.

17 19. Defendant HSBC USA Inc. is a corporation organized under the laws of the state of  
18 Delaware, with its headquarters located at 452 Fifth Avenue, New York, New York 10018.

19 20. Defendant HSBC Bank USA, N.A. is a corporation organized under the laws of the  
20 state of Delaware, with its headquarters located at 452 Fifth Avenue, New York, New York 10018.

21 21. Defendant HSBC UK Bank plc. is a corporation organized under the laws of England  
22 and Wales, with its headquarters located at 1 Centenary Square, Birmingham, B1 1HQ, United  
23 Kingdom.  
24  
25  
26  
27  
28

1 22. Defendant Silicon Valley Bank UK Limited is a corporation organized under the laws  
2 of England and Wales, with its headquarters located at Alphabeta, 14-18 Finsbury Square, London,  
3 EC2A 1BR, United Kingdom.

4 23. Defendant David Sabow is an individual who resides in Mill Valley, California.

5 24. Defendant Sunita Patel is an individual who resides in Pleasanton, California.

6 25. Defendant Melissa Stepanis is an individual who resides in Westport, Connecticut.

7 26. Defendant Peter Kidder is an individual who resides in Palo Alto, California.

8 27. Defendant Kevin Longo is an individual who resides in Southborough, Massachusetts.

9 28. Defendant Rebekah Hanlon is an individual who resides in Alamo, California.

10 29. Defendant Katherine Andersen is an individual who resides in Winchester,  
11 Massachusetts.  
12

13 **JURISDICTION AND VENUE**  
14

15 30. Subject matter jurisdiction exists in this civil action pursuant to 28 U.S.C. § 1331  
16 because First Citizens asserts federal claims under the Defend Trade Secrets Act (“DTSA”), 18 U.S.C.  
17 § 1832 et seq., and the Computer Fraud and Abuse Act (“CFAA”), 18 U.S.C. § 1030. The Court also  
18 has supplemental or pendent jurisdiction over First Citizens’ remaining claims pursuant to 29 U.S.C.  
19 § 1367 because they form part of the same case or controversy as the federal claims.  
20

21 31. The Court has personal jurisdiction over Sabow because he is a citizen and resident of  
22 the state of California. Moreover, at all relevant times, Sabow knew that First Citizens’ business (like  
23 SVB before it) was substantially carried out in California and that approximately twenty (if not more)  
24 of the First Citizens employees he raided live and worked for SVB and First Citizens in California.  
25 Sabow repeatedly met with others or initiated contact with others in California to carry out the raid.  
26 Many of Sabow’s wrongful acts complained of herein were carried out by Sabow in California or by  
27 others in California at Sabow’s direction, including obtaining and misappropriating confidential,  
28



1 proprietary and trade secret information. Those intentional acts were aimed at parties and property  
2 located within the state of California. The harmful and intended effects of Sabow's actions have been  
3 felt, and will continue to be felt, by First Citizens in California. Sabow regularly and frequently  
4 conducted business for SVB within the state of California including but not limited to the time period  
5 2019 through 2022 when he worked in California for SVB. Upon information and belief, he continues  
6 to regularly conduct business in California on behalf of HSBC.  
7

8 32. The Court has personal jurisdiction over Patel because she is a citizen and resident of  
9 the state of California. Moreover, at all relevant times, Patel knew that First Citizens' business (like  
10 SVB before it) was substantially carried out in California and that approximately twenty (if not more)  
11 of the First Citizens employees she raided live and worked for SVB and First Citizens in California.  
12 Upon information and belief, Patel repeatedly met with others or initiated contact with others in  
13 California to carry out the raid. Many of Patel's wrongful acts complained of herein were carried out  
14 by Patel in California or by others in California at Patel's direction, including obtaining and  
15 misappropriating confidential, proprietary and trade secret information. Those intentional acts were  
16 aimed at parties and property located within the state of California. The harmful and intended effects  
17 of Patel's actions have been felt, and will continue to be felt, by First Citizens in California. Patel  
18 regularly and frequently conducted business for SVB within the state of California including but not  
19 limited to the time period 2020 through 2023 when she worked in California for SVB. Upon  
20 information and belief, she continues to regularly conduct business in California on behalf of HSBC.  
21  
22

23 33. The Court has personal jurisdiction over Stepanis because, at all relevant times,  
24 Stepanis knew that First Citizens' business (like SVB before it) was substantially carried out in  
25 California and that approximately twenty (if not more) of the First Citizens employees she intended to  
26 raid live and worked for SVB and First Citizens in California. Upon information and belief, Stepanis  
27 targeted and solicited employees who lived and worked in California urging them to join HSBC. Upon  
28

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

11 34. The Court has personal jurisdiction over Kidder because he is a citizen and resident of  
12 the state of California. Moreover, at all relevant times, Kidder knew that First Citizens' business (like  
13 SVB before it) was substantially carried out in California and that approximately twenty (if not more)  
14 of the First Citizens employees he raided live and worked for SVB and First Citizens in California.  
15 Upon information and belief, Kidder repeatedly met with others or initiated contact with others in  
16 California to carry out the raid. Upon information and belief, many of Kidder's wrongful acts  
17 complained of herein were carried out by Kidder in California or by others in California at Kidder's  
18 direction, including obtaining and misappropriating confidential, proprietary and trade secret  
19 information. Those intentional acts were aimed at parties and property located within the state of  
20 California. The harmful and intended effects of Kidder's actions have been felt, and will continue to  
21 be felt, by First Citizens in California. Kidder regularly and frequently conducted business for SVB  
22 within the state of California including but not limited to the time period 1995 through 2023 when he  
23 worked in California for SVB. Upon information and belief, he continues to regularly conduct  
24 business in California on behalf of HSBC.  
25  
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27  
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1           35.     The Court has personal jurisdiction over Longo because, at all relevant times, Longo  
2 knew that First Citizens' business (like SVB before it) was substantially carried out in California and  
3 that approximately twenty (if not more) of the First Citizens employees he intended to raid live and  
4 worked for SVB and First Citizens in California. Upon information and belief, Longo targeted and  
5 solicited employees who lived and worked in California urging them to join HSBC. Upon information  
6 and belief, many of Longo's wrongful acts complained of herein were carried out by Longo in  
7 California or by others in California at Longo's direction, including obtaining and misappropriating  
8 confidential information, proprietary and trade secret information. Those intentional acts were aimed  
9 at parties and property located within the state of California. The harmful and intended effects of  
10 Longo's actions have been felt, and will continue to be felt, by First Citizens in California. Longo  
11 regularly and frequently visited California throughout his work as an executive for SVB and conducted  
12 business for SVB within the state of California. Numerous of the First Citizens employees that Longo  
13 recruited (as described below) lived and worked for SVB and First Citizens in California at the time  
14 Longo worked to divert them to HSBC.  
15  
16

17           36.     The Court has personal jurisdiction over Hanlon because she is a citizen and resident of  
18 the state of California. Moreover, at all relevant times, Hanlon knew that First Citizens' business (like  
19 SVB before it) was substantially carried out in California and that approximately twenty (if not more)  
20 of the First Citizens employees she raided live and worked for SVB and First Citizens in California.  
21 Upon information and belief, Hanlon repeatedly met with others or initiated contact with others in  
22 California to carry out the raid. Upon information and belief, many of Hanlon's wrongful acts  
23 complained of herein were carried out by Hanlon in California or by others in California at Hanlon's  
24 direction, including obtaining and misappropriating confidential, proprietary and trade secret  
25 information. Those intentional acts were aimed at parties and property located within the state of  
26 California. The harmful and intended effects of Hanlon's actions have been felt, and will continue to  
27  
28

1 be felt, by First Citizens in California. Hanlon regularly and frequently conducted business for SVB  
2 within the state of California including but not limited to the time period 2019 through 2023 when she  
3 worked in California for SVB. Upon information and belief, she continues to regularly conduct  
4 business in California on behalf of HSBC.

5  
6 37. The Court has personal jurisdiction over Andersen because, at all relevant times,  
7 Andersen knew that First Citizens' business (like SVB before it) was substantially carried out in  
8 California and that approximately twenty (if not more) of the First Citizens employees she intended to  
9 raid live and worked for SVB and First Citizens in California. Upon information and belief, Andersen  
10 targeted and solicited employees who lived and worked in California urging them to join HSBC. Upon  
11 information and belief, many of Andersen's wrongful acts complained of herein were carried out by  
12 Andersen in California or by others in California at Andersen's direction, including obtaining and  
13 misappropriating confidential, proprietary and trade secret information. Those intentional acts were  
14 aimed at parties and property located within the state of California. The harmful and intended effects  
15 of Andersen's actions have been felt, and will continue to be felt, by First Citizens in California.  
16 Andersen regularly and frequently visited California throughout his work as an executive for SVB and  
17 conducted business for SVB within the state of California. Numerous of the First Citizens employees  
18 that Andersen recruited (as described below) lived and worked for SVB and First Citizens in California  
19 at the time Andersen worked to divert them to HSBC.  
20

21  
22 38. Venue is proper in this district pursuant to 28 U.S.C. § 1391(b)(2) because a substantial  
23 part of the events or omissions giving rise to the claims occurred in this district and because a  
24 substantial part of the property that is the subject of this action is situated in this district.

#### 25 **DIVISIONAL ASSIGNMENT**

26 39. Because this action is an Intellectual Property Action within the meaning of Civil Local  
27 Rule 3-2(c), the action is to be assigned on a district-wide basis.  
28

1 **FACTUAL ALLEGATIONS**

2 ***The Critical Role Played by Banks***  
3 ***And the Far-reaching Consequences When Banks Fail***

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

7 41. Banks offer a safe place for individuals and businesses to deposit their money. By  
8 pooling deposits together, banks have the ability to lend money to individuals and businesses to  
9 support their financial needs.

10 42. Banks are major providers of credit and loans. They offer a range of lending products,  
11 including personal loans, mortgages, business loans, and lines of credit.

12 43. Banks play a central role in facilitating payments and transactions. They provide  
13 payment services that allow individuals and businesses to make transactions efficiently and securely.  
14 These services include issuing debit and credit cards, providing electronic fund transfers, and  
15 processing checks.  
16

17 44. Banks support economic growth by channeling money from savers to borrowers, which  
18 helps stimulate economic growth. Banks provide financing to businesses, enabling them to invest in  
19 new projects, purchase equipment, hire employees, and innovate. By facilitating these activities  
20 through lending and investment, banks contribute to job creation, technological advancement and  
21 economic development.  
22

23 45. Banks work closely with governments by providing them with financial services. For  
24 example, banks process tax payments and manage government accounts. They also help governments  
25 raise funds through the issuance of bonds, and they provide advisory services on fiscal matters.  
26

27 46. In light of the wide range of services offered by banks, it is no surprise that when a bank  
28 fails, it can cause a ripple effect throughout the economy as individuals and businesses lose access to

1 credit and financial stability. In addition, if depositors lose confidence in the banking system, they  
2 may withdraw their funds from other banks causing further instability.

3 **When Banks Fail, the Government Steps in**

4 47. In the United States, the Resolution and Receivership Rules (12 C.F.R. Part 360) were  
5 established by the Dodd-Frank Wall Street Reform and Consumer Protection Act in response to the  
6 financial crisis of 2008.  
7

8 48. The Resolution and Receivership Rules (the “Rules”) are regulations implemented by  
9 financial regulators to manage and resolve the insolvency of financial institutions, particularly banks.

10 49. The Rules aim to protect depositors and prevent the spread of financial instability to the  
11 wider economy. They provide a framework for the effective management of financial institution  
12 insolvencies and contribute to the stability of the financial system.  
13

14 50. The Rules outline the procedures that regulators use to resolve failing banks, including  
15 by appointing the FDIC as a receiver to take control of a failed bank. In its role as a receiver, the FDIC  
16 is responsible for taking over and managing a failed bank, liquidating its assets, or transferring them to  
17 a healthy bank. This helps to ensure that a failed bank’s assets and liabilities are transferred to  
18 responsible parties who can continue to serve the needs of the bank’s customers and maintain the  
19 integrity of the financial system.  
20

21 51. Interfering with the FDIC’s efforts to resolve a failed bank is a serious matter that can  
22 have a wide array of detrimental consequences. These consequence include: (i) disrupting the orderly  
23 wind-down of a failed bank, potentially leading to panic and loss of confidence in the banking system,  
24 which in turn can have ripple effects throughout the economy impacting other financial institutions and  
25 damaging overall stability; (ii) contributing to a loss of depositors’ confidence, which can trigger bank  
26 runs where depositors withdraw funds and potentially cause a liquidity crisis and additional bank  
27 failures; (iii) undermining the efficacy of the FDIC’s role in stabilizing the financial system; (iv)  
28

1 deterring healthy banks from acquiring the assets and liabilities of failed banks; (v) augmenting costs  
2 associated with resolving failed banks thereby increasing expense to taxpayers; and (vi) delaying  
3 economic recovery and contributing to the burden imposed on individuals, businesses and the  
4 economy.

5  
6 **First Citizens' Long and Distinguished History**

7 52. First Citizens is a U.S.-based financial institution that has established itself as a  
8 respected entity in the banking industry. Celebrating its 125<sup>th</sup> year in business in 2023, it is one of the  
9 healthy and stable banks that the FDIC relies upon to help rescue failed banks. The bank is  
10 headquartered in Raleigh, North Carolina, and operates in various states, including Arizona, California,  
11 Colorado, Florida, Georgia, Kansas, Maryland, Missouri, Nebraska, New Mexico, North Carolina,  
12 Oklahoma, Oregon, South Carolina, Tennessee, Texas, Virginia, Washington, West Virginia, and  
13 Wisconsin.

14  
15 53. For more than a century, First Citizens has demonstrated stability in the banking  
16 industry. Its long history indicates a track record of successfully navigating through various economic  
17 cycles and challenges, including the Great Depression, multiple recessions, and other financial crises.

18 54. First Citizens has maintained sound financial performance over the years. It has shown  
19 consistent profitability, demonstrating its ability to manage risk and generate sustainable growth.

20  
21 55. First Citizens is actively involved in the communities it serves. It supports various  
22 community initiatives, charitable organizations, and local events. The bank's commitment to  
23 community engagement contributes to its positive reputation and demonstrates its dedication to the  
24 well-being of the areas in which it operates.

25 56. First Citizens offers a variety of personal and commercial banking products and  
26 services, including checking and savings accounts, loans, credit cards, online and mobile banking,  
27 investment and wealth management services, and more.

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

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

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

8  
9 **History of Silicon Valley Bank**

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

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

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

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

23 64. SVB provided solutions to the financial needs of its commercial company clients  
24 throughout their life cycles, beginning with the “emerging” or “early stage” and progressing through  
25 later stages as their businesses matured and expanded.  
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1 73. When trading opened on March 9, 2023, SVB Financial’s stock price plummeted, panic  
2 spread across social media, and venture capital firms began pulling their money out of SVB. By the  
3 end of the day, depositors had withdrawn approximately \$42 billion.

4 74. On March 10, 2023, SVB was closed by the California Department of Financial  
5 Protection and Innovation, which appointed the FDIC as receiver. SVB’s collapse marked the second  
6 largest bank failure in U.S. history.

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

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

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

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

24 Today we are taking decisive actions to protect the U.S. economy by  
25 strengthening public confidence in our banking system. This step will ensure

1 that the U.S. banking system continues to perform its vital roles of protecting  
2 deposits and providing access to credit to households and businesses in a manner  
3 that promotes strong and sustainable economic growth. After receiving a  
4 recommendation from the boards of the FDIC and the Federal Reserve, and  
5 consulting with the President [of the United States of America], [Treasury]  
6 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.

7 \* \* \*

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

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

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

14 80. Meanwhile, fears of contagion continued to spread, and Signature Bank was closed on  
15 March 12, 2023 by its state chartering authority. Id. This was the third largest bank failure in U.S.  
16 history.

17 81. The immediate actions of the Department of the Treasury, the Federal Reserve, and the  
18 FDIC illustrated the magnitude of the emergency.

19 82. On Monday, March 13, 2023, in a televised address, President Biden sought to restore  
20 confidence in the banking system. Despite his assurances, shares of numerous regional banks  
21 continued to slide.

22 83. Also on Monday, March 13, 2023, the FDIC transferred all deposits—both insured and  
23 uninsured—and substantially all assets of DINB (i.e., the former Silicon Valley Bank of Santa Clara,  
24 California) to a newly created, full-service FDIC-operated “bridge bank” with the stated intent of  
25 protecting all depositors of SVB. See <https://www.fdic.gov/news/press-releases/2023/pr23019.html>. A  
26 bridge bank is a chartered national bank that operates under a board appointed by the FDIC. Id. It  
27  
28

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

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

8 85. On March 13, 2023, the Bridge Bank enacted an Enabling Resolution, adopting, among  
9 other things: (i) SVB’s Standards of Conduct, however identified; (ii) SVB’s policies and procedures;  
10 and (iii) SVB’s compliance regime. As such, Defendants Patel, Stepanis, Kidder, Longo, Hanlon, and  
11 Andersen remained bound by SVB’s Standards of Conduct and policies and procedures.  
12

13  
14 **The FDIC Puts The Bridge Bank Up For Auction**

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

19 87. With respect to SVB, the FDIC elected to hold an auction. Pursuant to its established  
20 practices, the FDIC invited “qualified bidders” to submit bids to acquire the assets and assume the  
21 liabilities of the Bridge Bank. Although qualified bidders may participate in the resolution process for  
22 a variety of strategic reasons, a successful resolution can provide a seamless transition for depositors  
23 and borrowers and calm financial markets and systems. Consequently, the public, businesses, the  
24 government, and the entire U.S. and global financial system are all stakeholders in the successful  
25 resolution of a failed bank.  
26  
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1 88. The collective shared interest in successful resolution of SVB was illustrated by a  
2 “Statement of Support” signed by approximately 100 venture capitalists shortly after SVB’s collapse.  
3 Since that time, the Statement of Support has been adopted by an additional 600 or so venture  
4 capitalists. The Statement of Support provides as follows:

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

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

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

16 90. The auction period lasted about two weeks. According to the FDIC, nineteen other  
17 companies submitted bids for at least some portion of the Bridge Bank. HSBC was not one of them.

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

20 **HSBC Seeks to Take That Which It Would Not Buy And it Does So  
21 Through the Misuse of SVB’s Confidential and Trade Secret Information**

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

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

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

10           95. Project Colony was Sabow’s written plan to steal some of the most lucrative portions of  
11 SVB’s business.

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

20           97. 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 35  
23 professionals already identified,” and “Wave 2,” which would target “an additional 40 professionals at  
24 junior levels.” Sabow noted that the SVB professionals he was targeting cut “across Venture Capital  
25 Relationship Management, Relationship Management, and Credit Solutions,” i.e., the business groups  
26 that were essential to successfully lifting out “the core of [SVB’s] profitability engine.”  
27  
28

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

5           99. Sabow proceeded to make his sales pitch by employing his knowledge of SVB’s  
6 confidential and proprietary information. For example, he began by setting forth tables reflecting  
7 SVB’s “win rate” against its core competitors segmented by deal size and numbers of loans.  
8 Recognizing the confidential nature of this data, Sabow redacted it. Upon information and belief, he  
9 later shared the unredacted data with HSBC.  
10

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

25           101. In one particularly egregious example of misconduct, on March 16, 2023, Sabow sent  
26 an instant message to an employee of what was then the Bridge Bank. In that message, he asked the  
27 employee to provide information that he intended to use (and which he did in fact use) to refine,  
28

1 enhance and develop his “Project Colony” plan. Specifically, Sabow asked the employee the  
2 following:

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

14 102. Sabow asked the employee to turn this information around the same day.

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

21 104. The employee followed Sabow’s direction and provided the requested information by  
22 email to Patel with the Subject line “RE: Dave Sabow requests on Gross Profit across Segment and  
23 Borrower types.” On March 16 and March 17, 2023, the employee and Patel exchanged emails  
24 regarding the information, and Patel thanked the employee for the information. It is evident that Patel  
25 then provided the requested information to Sabow because Sabow incorporated the information into  
26 his “Project Colony” plan.  
27  
28



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

7  
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. At that time, all of the Individual  
10 Defendants were employees of the Bridge Bank. Sabow’s noted in his opening that “[N]o one has any  
11 commitment by being here right now . . .” and he explained that the situation with SVB “creates an  
12 amazing market opportunity . . . If we find a top 5 balance sheet with a strong reputation is acquiring  
13 the core of the Accelerator & Growth portfolio, I want to be part of that platform; . . . if a no name  
14 regional bank acquires the team and assets, I am going to build something to put them out of business,  
15 because our team members and the market deserves better . . .” Sabow additionally explained what  
16 HSBC USA brought to the table and noted that they “Need to actually hire this at size in order for this  
17 to be meaningful; Don’t nibble at this – show your commitment; Every person you hire is going to  
18 bring accounts with it – can gain market share fast; . . . going to big leap and need to be comfortable  
19 with this – this might be the best time in history to enter this market; what are the limits on size and  
20 scale for this – quick decision making.” Sabow also noted that they “Need to make a splash with 30,  
21 40, 50 people out of the gate . . .”

22  
23  
24           107. On or about March 21, 2023, Katherine Andersen prepared and saved notes of what  
25 appears to be a conversation with Sabow about Project Colony and her input on business development  
26 and what staffing would be needed for lift-out and support from HSBC, based on SVB’s confidential  
27 and proprietary information.  
28

1           108. Andersen’s notes of March 21, 2023 include numerous pieces of SVB’s confidential  
2 and proprietary information concerning SVB’s Life Science & Healthcare Technology team’s  
3 deployment of SVB’s resources and expected Gross Profit and growth from SVB’s customers. This  
4 confidential information included the total amount of SVB’s Life Science & Healthcare Technology  
5 group’s commitments broken down by “Sponsor Finance / LevFin & Corporate Banking” and venture  
6 debt and growth capital invested in categories of healthcare technology clients. Andersen’s notes  
7 discuss how they need to “create followership” to get other employees to come with them. Upon  
8 information and belief, Andersen shared confidential and proprietary information with Sabow.  
9

10           109. Andersen’s notes reflect her thoughts on modeling for taking clients and employees  
11 from SVB and what they would need to get from HSBC to handle their projected volume of clients and  
12 loan commitments.  
13

14           110. Upon information and belief, Sabow also sought input from each of the other Individual  
15 Defendants regarding “Project Colony.” Upon information and belief, Sabow spoke with each  
16 Individual Defendant numerous times to refine and further develop the plan throughout March and  
17 April 2023. These meetings were by telephone, and they occurred while the Individual Defendants  
18 were still employees of the Bridge Bank and First Citizens.  
19

20           111. On March 23, 2023, at least one of the Individual Defendants, Stepanis, had access to  
21 and printed on her personal printer a report (the “9-box Report”) concerning approximately 830  
22 employees. The 9-box Report is a confidential report used by SVB to analyze, display, and compare  
23 employee work performance and potential. It is a talent management tool that helps human resources  
24 and managers effectively identify leaders and strategically prepare employees for future roles. It  
25 identifies employees by name, level, performance rating, and potential. It contains notes specific to  
26 employees detailing their strengths and experience.  
27  
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1           112. First Citizens believes and therefore alleges that Stepanis did not have any legitimate  
2 business need to print the entire 9-box Report concerning 830 employees. Upon information and  
3 belief, Stepanis printed the 9-box Report at the same time she was considering and planning her  
4 defection and the departure of dozens of SVB employees. First Citizens believes and therefore alleges  
5 that Stepanis used this information to aid HSBC’s coordinated attack on First Citizens and its  
6 workforce.  
7

8           113. The information contained within the 9-box Report is a compilation of SVB’s business  
9 information that is secret and valuable because it is not generally known to, and not capable of being  
10 readily ascertained through proper means by competitors such as HSBC who can obtain economic  
11 value from the disclosure or use of the information.  
12

13           114. Each Individual Defendant understood that the plan was predicated upon confidential  
14 information that was not publicly available. Each Individual Defendant also understood that the plan  
15 required a simultaneous “lift-out” of dozens of key employees, the effect of which was intended to  
16 inflict serious damage upon the Bridge Bank’s (and any acquiring entity’s) ability to preserve its  
17 Technology & Healthcare Accelerator & Growth market share.  
18

19           115. Upon information and belief, Sabow discussed or provided a copy of his “Project  
20 Colony” plan to numerous high ranking officers at the various HSBC entities that are Defendants in  
21 this case.  
22

23           116. HSBC approved Sabow’s “Project Colony” plan. Upon information and belief, it  
24 offered Sabow millions of dollars’ worth of compensation to motivate and incentivize him, and it has  
25 agreed to pay for his counsel and to indemnify him for any judgment obtained as a result of any  
26 litigation arising from the conduct described herein.  
27

28           117. Upon information and belief, when Sabow initially provided the plan to the various  
HSBC officers, it was redacted in part. Curiously, the redaction concealed some, but not all, of the

1 confidential and proprietary information contained within the plan. By redacting portions of the plan,  
2 Sabow made plain to the HSBC officers that he was willfully and maliciously using SVB's  
3 confidential and proprietary information. Upon information and belief, Sabow eventually provided  
4 unredacted copies of the plan to HSBC.

5  
6 118. Before and after receiving HSBC's blessing, Sabow set out to execute "Project  
7 Colony." To that end, Sabow created various spreadsheets containing a compilation of valuable, non-  
8 public information that is not readily ascertainable by SVB's or First Citizens' competitors including:  
9 (i) the identities, names, positions, and salaries of the Defendant executives and more than three dozen  
10 of their subordinates that Sabow had identified as "key professionals," as well as their locations and  
11 the markets they cover; (ii) "preliminary financial model leveraging [Sabow's] key assumptions"  
12 which were predicated on specific dollar amounts for SVB's loan portfolios with implied revenue and  
13 growth; (iii) an analysis of SVB's loans for its US Accelerator & Growth Group with "compromised  
14 institutions;" (iv) tables reflecting SVB's "win rate" against its core competitors segmented by deal  
15 size and numbers of loans; (v) data underlying analysis of SVB's "win rate"; (vi) SVB practice  
16 overview notes, including numbers of clients ranked by value to SVB, total value of loans, total client  
17 funds, total value of deposits, total revenue, total pre-tax income, total dollar amount of core fees, total  
18 number of clients, total percentage of return on equity, percentage of market share, headcount of Life  
19 Science employees, and total headcount of employees in relationship management, business  
20 development, and credit solutions groups.

21  
22  
23 119. Throughout March and April 2023, Sabow spoke with the Individual Defendants  
24 numerous times by telephone, video and in person. He met with some of them in California.

25 120. Upon information and belief, during these meetings, Sabow obtained, discussed and  
26 validated the above-described confidential information, and he also solicited the executives to leave  
27 SVB *en masse*.

1           121. Upon information and belief, Sabow—with HSBC’s blessing, aid and encouragement—  
2 utilized his knowledge of the executives’ compensation to offer them increases in salary and other  
3 compensation worth many hundreds of thousands of dollars.

4           122. Upon information and belief, Sabow—with HSBC’s blessing, aid and encouragement—  
5 informed the executives that HSBC has agreed to pay for their counsel and to indemnify them for any  
6 judgment obtained as a result of any litigation arising from the conduct described herein.

7           123. Economically motivated and satisfied that they were insulated from any adverse  
8 economic consequences, Sabow and the executives finalized their list of “key” professionals to target  
9 in the first “wave.” Sabow and the executives met with, solicited and recruited the targeted “key”  
10 professionals laying out their plan for a mass resignation designed to maximize the prospect for  
11 moving clients and revenues from First Citizens to HSBC.  
12

13           124. The plan for “wave 1” culminated over Easter weekend, April 7-9, 2023. During the  
14 weekend, Sabow and the executives worked with HSBC to interview and extend offers to dozens of  
15 First Citizens’ (formerly SVB) employees. Dividing them into two groups, Michael Roberts (CEO of  
16 HSBC Bank USA) held a Zoom call with the targeted “key professionals” to persuade them to leave  
17 First Citizens together and join HSBC. He explained that they were all receiving job offers with  
18 significant financial inducements that had to be accepted within hours. The job offers were fashioned  
19 using the confidential, proprietary and trade secret information described above. By using this  
20 information, HSBC was able to craft right-sized compensation packages that enabled it to entice the  
21 targeted employees to leave First Citizens while still leaving room to generate a tidy profit off the  
22 business it was lifting out of First Citizens.  
23

24           125. At the direction of HSBC and Sabow, around 9:00 pm on Easter Sunday, more than  
25 forty employees (including the other Individual Defendants) began sending notice of their resignations,  
26  
27  
28

1 effective immediately. In less than half an hour, they were gone. Many of their resignation emails  
2 were nearly identical. Upon information and belief, HSBC drafted the emails for them.

3           126. Sabow and the other Individual Defendants used their unique knowledge of non-  
4 publicly available information concerning the employees they spirited away. For example, the  
5 Individual Defendants identified the employees essential to taking the business HSBC aimed to steal,  
6 and upon information and belief, they used their knowledge of the employees' talents, skillsets,  
7 business relationships, job responsibilities, and compensation to enable HSBC to carry out its  
8 coordinated Easter weekend attack. The executives also set their sights on employees who have access  
9 to and familiarity with SVB's trade secrets and confidential information, such as its lending and  
10 pricing strategies, deal lists, deal structuring strategies, research, business plans, technology, and  
11 finances, as well as SVB's customers' and prospective customers' financial information, points of  
12 contact information, borrowing practices, purchasing habits, service requirements, prices, and costs,  
13 among other things.  
14  
15

16           127. Not surprisingly, and perhaps by design, some of the employees took more than they  
17 should have on their way out the door. For example, one employee emailed himself a spreadsheet on  
18 Monday, April 10, 2023, the day after the Easter Sunday raid (i.e., the day after the employee resigned  
19 from First Citizens). The spreadsheet contained an array of confidential and trade secret information  
20 including: (i) names of more than 100 clients and prospects; (ii) notes regarding the content of  
21 interactions with the clients and prospects concerning facts pertinent to their financial needs, in some  
22 instances related to specific transactions; (iii) value of client deposits; (iv) investment balances; (v)  
23 dollar amount of loans and credit lines; (vi) segmentation of clients/prospect by geographic region;  
24 (vii) classification of clients based on value, importance and level of engagement with the business;  
25 and (viii) dates of last call with the client/prospects. Accompanying this spreadsheet, the employee  
26 also emailed himself a list of the clients'/prospects' names and email addresses.  
27  
28

1           128. The above-mentioned confidential information used by Sabow, the executives and  
2 HSBC provided them with an unfair competitive advantage. Likewise, the simultaneous lift-out from  
3 First Citizens of approximately forty “key professionals,” which was accomplished with the aid of the  
4 executives’ breach of their fiduciary duties and duties of loyalty also provided Defendants with an  
5 unfair competitive advantage.  
6

7           129. The unfair competitive advantage seized by Defendants enabled them to short-circuit  
8 the time normally required by a market entrant to: (i) identify a target market and to validate the  
9 viability and potential profitability of a business plan to enter that market; (ii) develop comprehensive  
10 financial projections that forecast revenues, costs and expenses associated with a business plan,  
11 including financial modeling of estimated sales volumes, production costs, operating expenses and  
12 anticipated cashflow; (iii) formulate the operational efficiency needed to streamline processes,  
13 minimize waste, and reduce costs; (v) identify and assess potential risks that could impact the  
14 profitability of the business plan, such as evaluating market risks, competitive risks, regulatory risks,  
15 financial risks, and operational risks; (vi) develop risk mitigation strategies to minimize the impact of  
16 pertinent risks and protect profitability. By seizing these unfair advantages, HSBC was able to  
17 expedite the timeframe within which it could enter this market, which itself has an incredibly high  
18 barrier to entry, a fact acknowledged by Sabow in his written “Project Colony” plan.  
19  
20

21           130. HSBC further secured an unfair advantage because the employees are delivering a  
22 readymade business without having to build it from the ground up. The employees already have data  
23 to know which clients and services are most profitable and to know what their funding cycle and needs  
24 are. Consequently, HSBC can target its products, services and marketing to a preselected elite group  
25 of clients without the need to spend the significant amount of time, money and resources that are  
26 normally required.  
27  
28

1           131. There can be no mistake that Sabow understood he was talking about taking business  
2 away from the entity that would acquire the Bridge Bank’s assets (i.e., First Citizens). In his “Project  
3 Colony” plan he stated: “re-taking this position of dominance will be core to the strategic thesis of any  
4 ultimate acquiror of SVB’s U.S. portfolio.” He continued: “If a ‘super-regional’ or institution outside  
5 of the top 10 U.S. banks acquires the assets of SVB US, they will have an inherent governor on their  
6 growth and market share in the near term.”

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

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

23  
24           134. On April 28, 2023, First Citizens, by and through its counsel, sent letters to each and  
25 every one of the Individual Defendants. True and correct copies of the letters, not including their  
26 attachments, are attached as **Exhibits A through G** and incorporated as if set forth in full herein.  
27  
28



1           135. Each letter outlined each of the Individual Defendants' obligations not to use  
2 confidential information they acquired from SVB/First Citizens (the "Company") and not to compete  
3 unfairly with the Company.

4           136. Each letter expressed the Company's concern that each Individual Defendant has  
5 violated his/her obligations.  
6

7           137. Each letter contained four specific demands that the Defendant receiving the letter: (i)  
8 immediately purge and return all confidential information relating to the Company's business; (ii)  
9 immediately cease and desist from using or disclosing the Company's confidential information and  
10 provide a written assurance that s/he will refrain from such use and disclosure; (iii) provide a list of  
11 each and every employee of the Company with whom s/he communicated concerning her/his actual  
12 and/or potential departure from the Company; and (iv) provide a written assurance that s/he will take  
13 steps necessary to ensure that all evidence will be preserved. See Exhibits A through G.  
14

15           138. To this date, except to state that evidence will be preserved, not one of the Individual  
16 Defendants has provided the requested written information or assurances. To be clear, the Individual  
17 Defendants' counsel, who also represents HSBC Bank USA, N.A., communicated with Plaintiff's  
18 counsel and stated that no confidential information had been misappropriated. Plaintiff's counsel  
19 requested a written response to the four specific demands in **Exhibits A through G**. To date, no such  
20 written response has been provided (except to state that evidence will be preserved). Instead, the  
21 Individual Defendants have taken an "I only intend to address that which you can specifically prove"  
22 approach to First Citizens' demands, and they have asked First Citizens to "inform [them] if [First  
23 Citizens is] aware of any specific confidential information that First Citizens believes was disclosed to  
24 HSBC and which employee First Citizens believes made that disclosure."  
25  
26  
27  
28

1                                    **The Defendants' Actions Have Caused Significant Harm to First Citizens**

2            139. By and through their wrongful conduct described throughout this Complaint, the  
3 Defendants have caused significant harm to First Citizens.

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

7  
8            141. When one bank buys another bank, it typically does so in order to expand its operations  
9 and increase its profitability. Increased profitability comes from:

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

17  
18            142. In bidding for SVB's assets, First Citizens had a reasonable expectation that it would  
19 acquire the assets it purchased free from unlawful interference. HSBC, with the assistance of the  
20 Individual Defendants, deliberately undermined the value of the assets acquired by First Citizens.

21  
22            143. In addition to causing economic harm and loss, the Defendants have eroded the integrity  
23 of the auction process and diminished the trust that future buyers will have in the fairness and  
24 reliability of such transaction.

25            144. By poaching the targeted executives and "key professionals"—particularly through the  
26 use of confidential, proprietary and trade secret information—HSBC unfairly replicated and took a  
27  
28

1 large cross section of SVB's operational knowledge and unlawfully acquired an unfair competitive  
2 advantage.

3 145. When banks fail, their employees face uncertainty and potential job loss. By poaching  
4 employees here and seeking to have them provide confidential, proprietary and trade secret  
5 information, HSBC exacerbated this uncertainty and contributed to the disruption of the job market.  
6

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

9 147. In sum, the Defendants' conduct represents an egregious breach of confidentiality and  
10 misuse of insider knowledge. The massive resignation of employees orchestrated by HSBC and aided  
11 by the Individual Defendants disrupted First Citizens' business operations while eroding client trust.  
12 By cherry-picking key personnel who had access to and knowledge of First Citizens' confidential and  
13 proprietary information concerning SVB's operations, relationships, strategies, and other confidential  
14 information, HSBC has acquired an unfair competitive advantage, inflicted substantial damages upon  
15 First Citizens, and compromised the public interest.  
16

17 148. First Citizens is entitled to damages that include compensation for the diminution of the  
18 value of the business it acquired which is traceable to the Defendants' wrongful conduct, including  
19 such damages as are reflected by lost profits and expenses incurred. It is also entitled to recover  
20 amounts (without seeking a double recovery) that reflect the unjust enrichment of the Defendants  
21 and/or a reasonable royalty.  
22

23 149. The fact that the Defendants' actions harm the public interest and undermine the public  
24 trust only makes the conduct at issue that much more reprehensible. In addition to all damages  
25 requested herein, punitive damages of a significant magnitude are warranted to discourage HSBC and  
26 others from undermining and destabilizing the FDIC's resolution and receivership process for the  
27 purpose of enriching themselves at the expense of their competitors.  
28

1           150. Defendants’ naked ambitions cannot justify their actions. Sabow’s own words are that it  
2 is his “ambition” “to build a market leading venture-banking platform globally and my best team  
3 members share this ambition.” But taking property that does not rightfully belong to you is not  
4 building a business; that is simply theft.

5           151. Aside from ambitious plans, Sabow touted the merits of his “Project Colony” plan by  
6 telling the other Defendants that the business they aimed to steal would yield immediate and  
7 extraordinary profits. Misusing the data described above, Sabow projected that “Project Colony”  
8 would generate more than \$66 million of direct profit contribution in its first year alone. He further  
9 projected that it would generate direct profit contribution in years two through five amounting to more  
10 than \$278 million, \$541 million, \$868 million, and \$1.275 billion respectively.

11           152. There can be no doubt—a massive damages award is warranted in this case. Just based  
12 on Sabow’s projections, that amount should be at least \$1 billion.  
13  
14

### **FIRST CAUSE OF ACTION**

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

15  
16  
17  
18           153. Plaintiff repeats, realleges, and incorporates paragraphs 1 through 152 as if set forth  
19 fully herein.

20           154. Sabow began his employment with SVB in or about May 2012 as a Senior Relationship  
21 Manager. Throughout his employment, Sabow ascended through a series of increasingly senior  
22 positions. In 2017, he became the Head of Life Sciences, Client Funds and Products. In 2019, he  
23 became the Head of Life Sciences and Technology Banking. In 2022, he was offered the position of  
24 CEO Silicon Valley Bank UK and Head of EMEA (i.e., Europe, the Middle East, and Africa). He was  
25 slated to begin this most recent position on April 1, 2023.  
26  
27  
28

1           155. As a condition of his employment, Sabow executed a Confidential Information and  
2 Invention Assignment Agreement for Employees (Sabow’s “Agreement”). A true and correct copy of  
3 Sabow’s Agreement is attached as **Exhibit H** and incorporated by reference as if set forth fully herein.  
4 The Agreement—which is between Sabow and Holdco and its subsidiaries, affiliates, successors, and  
5 assigns—expressly contemplates that it would continue to apply to Sabow throughout his various  
6 positions. See **Exhibit H** at ¶ 12(a) (“Any subsequent change or changes in my duties, obligations,  
7 rights or compensation will not affect the validity or scope of this Agreement.”). Holdco, and its  
8 subsidiaries, affiliates, successors, and assigns, including SVB and First Citizens (by means of the  
9 March 27, 2023 acquisition), are referred to hereafter as the “Company.”  
10

11           156. Sabow’s Agreement contains his promise not to use or disclose the Company’s  
12 Confidential Information except for the benefit of the Company. See **Exhibit H** at ¶ 3(a). The  
13 Agreement defines “Confidential Information” in paragraph 3(a) as follows:  
14

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

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

5  
6           4(b) Assignment of Works. I agree that I will promptly make foil  
7 written disclosure to the Company, will hold in trust for the sole right and  
8 benefit of the Company, and hereby assign to the Company, or its  
9 designee, all my right, title and interest throughout the world in and to any  
10 and ah inventions, original works of authorship, developments, concepts,  
11 know-how, improvements or trade secrets which I may solely or jointly  
12 conceive or develop of reduce to practice, or cause to be conceived of  
13 developed or reduced to practice, during the period of time in which I am  
14 employed by the Company (collectively referred to as “Works”) related to  
15 the Company’s business Or which relate to any actual or anticipated  
16 research or development which results from any work that I perform for  
17 the Company, of any inventions, original works of authorship,  
18 developments, concepts, know-how, improvements or trade secrets which  
19 involves, in any way, the use of the Company’s equipment, supplies,  
20 facilities, trade secrets, or confidential information.. I further acknowledge  
21 that all inventions, original works of authorship, developments, concepts,  
22 know-how,-improvements Or trade secrets which are made by me (solely  
23 or jointly with others) within the scope of and during the period of my  
24 Relationship with the Company are “Works made for hire” (to the greatest  
25 extent permitted by applicable law) and are compensated by my salary,  
26 unless regulated otherwise by the mandatory law of the state of California  
27 or the State in which I perform the majority of my service for the  
28 Company. I agree to execute all documents necessary to the perfection of  
the assignment or for the perfection and/or protection of the Company’s  
interest or rights in such intangible assets.

21           4(c) Consistent with subsection 4(b) above, this Agreement does not  
22 require assignment of any inventions which fully qualifies for protection  
23 under Section 2870 Of the California Labor Code which provides as  
24 follows: Any provision in an employment agreement which provides that  
25 an employee shall assign or offer to assign any of his or her rights in any  
26 invention to his of her employer Shall not apply to an invention for which  
27 no equipment, supplies, facilities or trade secret information of the  
28 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  
research or development, or (b) which does not result from any work  
performed by the employee for the employer. Any provision, which  
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.

1           158. Sabow’s agreement also contains his commitment to return all of the Company’s  
2 property and documents upon the termination of his employment with the Company. Specifically, the  
3 Agreement provides in paragraph 5 as follows:

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

19           159. Sabow’s Agreement also contains his acknowledgement that his “knowledge of the  
20 Company’s employees’ and consultants’ skills, knowledge, relationships and abilities itself constitutes  
21 the Company’s trade secret information.” *Id.* at ¶ 8. Accordingly, he promised in paragraph 8 that  
22 during his employment and for a period of six months thereafter, he would not solicit, induce, recruit  
23 or encourage the Company’s employees or consultants to terminate their relationship with the  
24 Company. Specifically, paragraph 8 of the agreement states:

25           I agree that during the term of my Relationship with the Company, and for a period  
26 of six (6) months immediately following the termination of my Relationship with  
27 the Company for any reason, whether with or without cause, I shall not either  
28 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.

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



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

12 161. Just like Sabow, Defendants Patel, Stepanis, Longo, and Hanlon signed Agreements  
13 with the Company. True and correct copies of their Agreements are attached as **Exhibits I through L**  
14 and incorporated by reference as if set forth fully herein. Although the verbiage of Patel's, Stepanis's,  
15 Longo's, and Hanlon's Agreements differs slightly from Sabow's Agreement, the substance is the  
16 same. Like Sabow, Patel, Stepanis, Longo, and Hanlon agreed that: (i) they will not use or disclose the  
17 Company's Confidential Information except on behalf of the Company; (ii) they will return the  
18 Company's property and documents upon the termination of their employment; (iii) during their  
19 employment and for a period of at least six months thereafter, they would not solicit, induce, recruit or  
20 encourage the Company's employees or consultants to terminate their relationship with the Company;  
21 and (iv) they will not compete unfairly with the Company. See **Exhibit I** at ¶¶ 3, 5, 7 and 9; **Exhibits**  
22 **J and K** at ¶¶ 3, 5, 7, and 8; **Exhibit L** at ¶¶ 3, 5, 8 and 9.

23  
24  
25 162. By and through their conduct described above, Sabow, Patel, Stepanis, Longo, and  
26 Hanlon breached their Agreements.

27 163. The Company has performed, or substantially performed, all of its obligations under  
28 the Agreements and met and satisfied all conditions precedent.



1 164. The Agreement of Sabow, Patel, Stepanis, Longo, and Hanlon are valid and  
2 enforceable.

3 165. The Agreement was supported by adequate consideration.

4 166. Plaintiff has been damaged by these breaches in an amount to be determined at trial, but  
5 in excess of \$1 billion.  
6

7 **SECOND CAUSE OF ACTION**

8 **(Breach of Contract – Notice Obligations – Against Andersen and Patel)**

9 167. Plaintiff repeats, realleges, and incorporates paragraphs 1 through 166 as if set forth  
10 fully herein.

11 168. On or about April 15, 2019, Andersen became the Head of Relationship Management,  
12 Life Sciences for SVB. This position was a promotion for Andersen, and she received an increase in  
13 pay. She also received additional benefits including incentive compensation and the ability to  
14 participate in SVB’s Equity Incentive Plan Awards. In this position, she reported directly to Sabow,  
15 who at the time was the Head of Life Sciences and Technology Banking. In her offer letter, which was  
16 signed by Sabow, and which she accepted and signed, Andersen agreed to provide SVB with sixty  
17 days’ notice of her resignation. Her offer letter, which was also signed by Sabow, stated in pertinent  
18 part as follows:  
19  
20

21 Because continuity is critical to both SVB Financial Group’s operations as well  
22 as that of our clients, **you agree to provide sixty (60) days’ notice prior to**  
23 **terminating your employment with us to assure the successful completion of**  
24 **projects and transition of work to your successor, and you also agree not to**  
25 **commence employment elsewhere until completion of this sixty ( 60) day**  
26 **notice period. Similarly, SVB Financial Group agrees to provide you with**  
27 **sixty (60) days’ notice prior to terminating your employment for**  
28 **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. During the sixty (60) day notice period, you will continue to receive  
your full pay 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

1 period, SVB Financial Group in its sole discretion may cease to assign work to  
2 you, modify the work you perform, place you on leave or require you not to  
3 attend work for all or a portion of the notice period. You agree that even if you  
4 are inactive for some or all of the notice period, this notice period shall not  
5 constitute constructive discharge of your employment. You further agree that  
6 this mandatory notice period does not otherwise alter your at-will employment  
7 with SVB Financial Group. **Throughout the sixty (60) day notice period, the  
8 terms of your employment will continue in force including those relating to  
9 your compensation, duty of loyalty and exclusivity of employment with SVB  
10 Financial Group.** This sixty (60) day notice period can only be modified  
11 through written agreement between you and SVB Financial Group, except that it  
12 may be waived in SVB Financial Group's sole discretion upon request.

13 (emphasis added). A true and correct copy of Andersen's offer letter is attached is **Exhibit M** and  
14 incorporated by reference as if set forth fully herein. Andersen also agreed to provide notice in exchange  
15 for subsequent increases in compensation.

16 169. As of September 29, 2020, Andersen's title was Head of Relationship Management,  
17 Life Sciences & Healthcare Banking for SVB.

18 170. On December 19, 2022, Andersen executed a contract rendering her eligible to receive a  
19 retention award in exchange for certain promises (the "Retention Award Agreement"). A true and  
20 correct copy of the Retention Award Agreement is attached as **Exhibit N** and incorporated by  
21 reference as if set forth fully herein.

22 171. Pursuant to the Retention Award Agreement, Andersen was eligible to receive hundreds  
23 of thousands of dollars if she continued her employment with SVB through December 31, 2025. The  
24 Retention Award Agreement contained mutual promises between SVB and Andersen to provide one  
25 another at least sixty days' notice prior to terminating Andersen's employment to ensure the successful  
26 completion of projects and transition of work. The Retention Award Agreement stated in pertinent  
27 part as follows:

28 **Continuity is critical to both SVB Financial Group's operations as well as  
that of our clients. Accordingly, as further consideration for your eligibility  
to receive payments under this Retention Awards Program, you agree to  
provide sixty (60) days' notice (the "Notice Period") prior to terminating  
your employment with us to assure the successful completion of projects**

1 **and transition of work to your successor, and you also agree not to**  
 2 **commence employment elsewhere until completion of this Notice Period.**  
 3 **Similarly, SVB Financial Group agrees to provide you with the same Notice**  
 4 **Period prior to terminating your employment.** This mandatory Notice Period  
 5 will not apply if you are terminated for cause and/or in violation of SVB  
 6 Financial Group's Code of Conduct. **Throughout the Notice Period, the terms**  
 7 **of your employment will continue in force including those relating to your**  
 8 **compensation, duty of loyalty and exclusivity of employment with SVB**  
 9 **Financial Group and your duties will focus on assisting SVB Financial**  
 10 **Group in transitioning work to which you were assigned and other**  
 11 **administrative tasks as-needed.** SVB Financial Group in its sole discretion  
 12 may cease to assign work to you, modify the work you perform, place you on  
 13 leave or require you not to attend work for all or a portion of the Notice Period.  
 14 You agree that even if you are inactive for some or all of the Notice Period, this  
 15 Notice Period shall not constitute constructive discharge of your employment.  
 16 You also agree that this Notice Period supersedes the "without notice" aspect of  
 17 SVB Financial Group's ordinary at-will policy but does not otherwise alter your  
 18 at-will employment with SVB Financial Group. This Notice Period can only be  
 19 modified through written agreement between you and SVB Financial Group,  
 20 except that it may be waived in SVB Financial Group's sole discretion upon  
 21 request.

22 Except for the Notice Period set forth above, nothing in this offer, or your  
 23 acceptance of it, alters your at-will employment status with the company. Either  
 24 party has the right to terminate your employment with or without cause or notice  
 25 upon notice as set forth above. SVB Financial Group reserves the right to  
 26 change your benefits with or without notice upon notice as set forth above.

27 (emphasis added).

28 172. 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

1 sixty days' notice to SVB Financial Group before commencing employment  
2 elsewhere. During the sixty (60) day notice period, you will continue to receive  
3 your full pay, equity vesting, bonus eligibility and benefits, and your duties will  
4 focus on assisting SVB Financial Group in transitioning work to which you were  
5 assigned and other administrative tasks on an as-needed basis. During this sixty  
6 (60) day notice period, SVB Financial Group in its sole discretion may cease to  
7 assign work to you, modify the work you perform, place you on leave or require  
8 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.

9 A true and correct copy of Patel's Offer Letter is attached as **Exhibit O** and incorporated by reference  
10 as if set forth fully herein.

11 173. At or about 9:00 p.m. on April 9, 2023, Easter Sunday, Andersen and Patel breached  
12 their contracts by resigning without providing sixty days' notice.

13 174. The Company has performed, or substantially performed, all of its obligations under the  
14 Agreements and met and satisfied all conditions precedent.

15 175. The notice obligations of Andersen and Patel are valid and enforceable.

16 176. The notice obligations were supported by adequate consideration.

17 177. Plaintiff has been damaged by these breaches in an amount to be determined at trial, but  
18 in excess of \$1 billion.  
19

20 **THIRD CAUSE OF ACTION**

21 **(Breach of Contract – First Citizens Agreements –**

22 **Against Stepanis, Patel, Kidder, Longo, Hanlon, and Andersen)**

23 178. Plaintiff repeats, realleges, and incorporates paragraphs 1 through 177 as if set forth  
24 fully herein.

25 179. After First Citizens won the auction for SVB, Stepanis, Patel, Kidder, Longo, Hanlon,  
26 and Andersen each applied to become and subsequently became executive employees of First Citizens.  
27  
28

1 180. As a condition of their employment with First Citizens, Stepanis, Patel, Kidder, Longo,  
2 Hanlon, and Andersen each executed First Citizens' New Hire Acknowledgement agreement. True  
3 and correct copies of the New Hire Acknowledgement agreements are attached as **Exhibits P through**  
4 **U** and incorporated by reference as if set forth fully herein.

5 181. The New Hire Acknowledgement agreements state in pertinent part as follows:

- 6 • I read, understood, and agree to comply with the Code of Ethics.
- 7 • I read, understood, and agree to comply with [First Citizens'] policies and
- 8 standards, including but not limited to:
- 9 ○ Corporate Compliance Policy...
- 10 ○ Information Security Acceptable Use Standards...
- 11 • At the beginning of my employment, I will review additional [First Citizens]
- 12 policies and standards applicable to my role, including but not limited to,
- 13 [First Citizens'] Human Resources policies and standards.

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

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

19 \* \* \*

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

25 \* \* \*

26 **1. Comply with All laws, Regulations, and First Citizens' Policies, Standards  
and Procedures**

27 **1.1 In General**

28 You are responsible for understanding and obeying all laws, regulations,  
policies, standards, and procedures to which you are subject and that govern

1 your actions within and for First Citizens. Strict attention to and compliance  
2 with federal and state laws and regulations applicable to the financial services  
3 business as well as ethical business conduct rules and regulations, such as the  
4 Federal Bank Secrecy Act, are REQUIRED to protect you and First Citizens.

5 \* \* \*

#### 6 **1.4 First Citizens' Policies, Standards and Procedures**

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

#### 9 **2. Maintain Integrity**

##### 10 **2.1 In General**

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

##### 15 **2.2 Confidentiality and Privacy of Information...**

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

- 21 • ...Use information only for its intended use in carrying out your duties as  
22 a First Citizens associate;
- 23 • **Do not send non-public information to your personal email**  
24 **address...;**
- 25 • Do not use information for unauthorized purposes, such as for your  
26 personal advantage or to provide advantage to others....  
27 Safeguarding and protecting non-public information are continuing  
28 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....

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

A true and correct copy of the Code of Ethics is attached as **Exhibit V** and incorporated by reference as



1 if set forth fully herein. (all emphasis in original).

2 183. The Acceptable Use Standards state in part as follows:

3 **2. Overview**

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

10 Access to and use of assets is a privilege granted to Associates and Non-  
11 Employee Workers as defined in the Human Resources Policies & Standards  
12 Manual (collectively, Users). All Users are expected to use FCB assets in a  
13 responsible and ethical manner for their intended business purpose in serving the  
14 interests of FCB and of FCB's clients and customers. Effective security is a  
15 team effort involving the participation and support of every User who deals with  
16 FCB information and/or information systems.

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

21 **3. Scope**

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

27 These Standards apply to all business units, departments, and functions within  
28 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**

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.

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**4.6 Return First Citizens 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
- 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

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.

#### 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.

\* \* \*

1  
2 **13.5.4 Text Messages Including Restricted Data**

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

5 **13.5.5 Approved Messaging Platforms**

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

8 A true and correct copy of the Acceptable Use Standards is attached as **Exhibit W** and incorporated by  
9 reference as if set forth fully herein. (all emphasis in original).

10 184. The Data Classification and Handling Standards define “Restricted Data” to include  
11 information that is intended only for First Citizens and that relates to key financial, strategic, R&D,  
12 legal, or other critical aspects of First Citizens’ operations. Examples of Restricted Data include  
13 information that provides a competitive advantage such as details of business and marketing strategies  
14 and pricing of services and any financial data that is held in confidence by First Citizens. A true and  
15 correct copy of the Data Classification and Handling Standards is attached as **Exhibit X** and  
16 incorporated by reference as if set forth fully herein.

17  
18 185. By and through their conduct described above, Stepanis, Patel, Kidder, Longo, Hanlon,  
19 and Andersen breached their New Hire Acknowledgement agreements.

20 186. The Company has performed, or substantially performed, all of its obligations under  
21 the New Hire Acknowledgement agreements and met and satisfied all conditions precedent.

22 187. The New Hire Acknowledgement agreements with Stepanis, Patel, Kidder, Longo,  
23 Hanlon, and Andersen are valid and enforceable.

24 188. The New Hire Acknowledgement agreements were supported by adequate  
25 consideration.

26  
27 189. Plaintiff has been damaged by these breaches in an amount to be determined at trial, but  
28 in excess of \$1 billion.

**FOURTH CAUSE OF ACTION**

**(Breach of Duty of Loyalty Against Stepanis,**

**Patel, Kidder, Longo, Hanlon, and Andersen)**

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190. Plaintiff repeats, realleges, and incorporates paragraphs 1 through 189 as if set forth fully herein.

191. As employees of First Citizens, Stepanis, Patel, Kidder, Longo, Hanlon, and Andersen 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 an obligation not to take action which is inimical to the best interests of First Citizens. It also includes an obligation to warn First Citizens of imminent threats, particularly those that were being planned and orchestrated by the Defendants. It also includes an obligation to refrain from competing with First Citizens during employment, and to refrain from taking actions on behalf of or otherwise assisting a competitor of First Citizens. It also includes an obligation not to acquire a material benefit from a third party in connection with actions taken through the use of their positions with First Citizens. It also includes a duty not to communicate First Citizens' confidential information for their own benefit or the benefit of a third party.

192. By and through the conduct described above, Stepanis, Patel, Kidder, Longo, Hanlon, and Andersen breached their duty of loyalty.

193. The foregoing conduct of Stepanis, Patel, Kidder, Longo, Hanlon, and Andersen was willful and malicious, was performed with intent to injure Plaintiff, and was without justification or privilege. The conduct of Stepanis, Patel, Kidder, Longo, Hanlon, and Andersen was undertaken in furtherance of their own personal interests and for the benefit of HSBC.

1 194. Plaintiff has been damaged by these breaches in an amount to be determined at trial, but  
2 in excess of \$1 billion.

3 **FIFTH CAUSE OF ACTION**

4 **(Breach of Fiduciary Duty Against Sabow, Stepanis,**

5 **Patel, Kidder, Longo, Hanlon, and Andersen)**

6  
7 195. Plaintiff repeats, realleges, and incorporates paragraphs 1 through 194 as if set forth  
8 fully herein.

9 196. At the time he left SVB to join SVB UK in early 2023, Sabow was a senior executive  
10 for SVB with the title of Head of SVB's Life Sciences and Technology Banking.

11 197. Stepanis was a senior executive with the title of Head of Technology Credit Solutions  
12 for SVB at the time First Citizens acquired SVB's assets. At the time she resigned from First Citizens,  
13 Stepanis was a senior executive with the title of SV-Head of Credit Solutions (within the Tech Credit  
14 Solutions Admin division).

15  
16 198. Patel was a senior executive with the title of Head of Business Development for SVB at  
17 the time First Citizens acquired SVB's assets. At the time she resigned from First Citizens, Patel was a  
18 senior executive with the title of SV-Head of Investor Coverage and Business Development.

19 199. Kidder was a senior executive with the title of Head of Loan Administration for SVB at  
20 the time First Citizens acquired SVB's assets. At the time he resigned from First Citizens, Kidder was  
21 a senior executive with the title of SV-Head of Loan Administration.

22  
23 200. Longo was a senior executive with the title of Head of U.S. Life Science & Healthcare  
24 Credit Solutions at the time First Citizens acquired SVB's assets. At the time he resigned from First  
25 Citizens, Longo was a senior executive with the title of SV-Head of Credit Solutions Life Science &  
26 Healthcare.

1           201. Hanlon was a senior executive with the title of Head of Relationship Advisors at SVB at  
2 the time First Citizens acquired SVB's assets. At the time she resigned from First Citizens, Hanlon  
3 was a senior executive with the title of SV-Head of Relationship Advisors.

4           202. Andersen was a senior executive with the title of Head of Relationship Management,  
5 Life Science & Healthcare Banking for SVB at the time First Citizens acquired SVB's assets. At the  
6 time she resigned from First Citizens, Andersen was a senior executive with the title of SV-Head of  
7 Relationship Management Life Science & Healthcare.

8           203. As senior executives of the Company, Sabow, Stepanis, Patel, Kidder, Longo, Hanlon,  
9 and Andersen owed the Company a fiduciary duty through which they were bound to act with the  
10 utmost good faith for the benefit of the Company. This duty included an obligation to act in the utmost  
11 good faith with undivided interests and with faithful service, and to place the Company's interests  
12 ahead of their own and not to act for persons or entities whose interests would conflict with those of  
13 the Company. This duty includes an obligation not to take action which is inimical to the best interests  
14 of the Company. It also includes an obligation to warn the Company of imminent threats, particularly  
15 those that were being planned and orchestrated by Sabow, Stepanis, Patel, Kidder, Longo, Hanlon, and  
16 Andersen. It also includes an obligation to refrain from competing with the Company during  
17 employment, and to refrain from taking actions on behalf of or otherwise assisting a competitor of the  
18 Company. It also includes an obligation not to acquire a material benefit from a third party in  
19 connection with actions taken through the use of their positions with the Company. It also includes a  
20 duty not to communicate the Company's confidential information for their own benefit or the benefit  
21 of a third party both during and after their agency. It also includes a duty not to recruit the executives'  
22 direct reports and subordinate employees to go work for a competitor.

23           204. By and through the conduct described above, Sabow, Stepanis, Patel, Kidder, Longo,  
24 Hanlon, and Andersen breached their fiduciary duty.  
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1           211. Sabow aided and encouraged Stepanis, Patel, Kidder, Longo, Hanlon, and Andersen in  
2 breaching their duty of loyalty and their fiduciary duty. Upon information and belief, Sabow  
3 instructed Stepanis, Patel, Kidder, Longo, Hanlon, and Andersen to identify the employees to be  
4 targeted, accepted the confidential and trade secret information they provided concerning these  
5 employees, assisted with and coordinated the Easter weekend interviews and offers, and coordinated  
6 the simultaneous 9:00 pm resignations on Easter Sunday. Upon information and belief, Sabow  
7 facilitated the provision of substantial financial incentives to Stepanis, Patel, Kidder, Longo, Hanlon,  
8 and Andersen to induce them to breach their duty of loyalty and fiduciary duty.

9  
10           212. HSBC's conduct was a substantial factor in causing the harm that Plaintiff sustained as  
11 a result of Sabow's, Stepanis's, Patel's, Kidder's, Longo's, Hanlon's, and Andersen's breaches of their  
12 duty of loyalty and/or their fiduciary duty. Sabow's conduct was a substantial factor in causing the  
13 harm that Plaintiff sustained as a result of Stepanis's, Patel's, Kidder's, Longo's, Hanlon's, and  
14 Andersen's breaches of their duty of loyalty and their fiduciary duty.

15  
16           213. The foregoing conduct of HSBC was willful and malicious, was performed with intent  
17 to injure Plaintiff, and was without justification or privilege. HSBC's conduct was undertaken in  
18 furtherance of its own personal interest. The foregoing conduct of Sabow was willful and malicious,  
19 was performed with intent to injure Plaintiff, and was without justification or privilege. Sabow's  
20 conduct was undertaken in furtherance of his own personal interest.

21  
22           214. Plaintiff has been damaged by HSBC's and Sabow's actions in an amount to be  
23 determined at trial, but in excess of \$1 billion.



**SEVENTH CAUSE OF ACTION**

**(Tortious Interference With First Citizens' Contracts and**

**SVB Obligations Against the HSBC Defendants and Sabow)**

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215. Plaintiff repeats, realleges, and incorporates paragraphs 1 through 214 as if set forth fully herein.

216. The contracts signed by Sabow, Stepanis, Patel, Kidder, Longo, Hanlon, and Andersen are valid and enforceable contracts.

217. Upon information and belief, HSBC knew or should have known about the contracts signed by Sabow, Stepanis, Patel, Kidder, Longo, Hanlon, and Andersen. Upon information and belief, Sabow knew or should have known about the contracts signed by Stepanis, Patel, Kidder, Longo, Hanlon, and Andersen.

218. Upon information and belief, HSBC instructed, aided and encouraged Sabow, Stepanis, Patel, Kidder, Longo, Hanlon, and Andersen to engage in the conduct that constitutes a breach of their contracts. Upon information and belief, Sabow instructed, aided and encouraged Stepanis, Patel, Kidder, Longo, Hanlon, and Andersen to engage in the conduct that constitutes a breach of their contracts.

219. Upon information and belief, HSBC provided Sabow, Stepanis, Patel, Kidder, Longo, Hanlon, and Andersen with substantial financial incentives intended to induce them to breach their contracts. Upon information and belief, Sabow facilitated the provision of substantial financial incentives to Stepanis, Patel, Kidder, Longo, Hanlon, and Andersen intended to induce them to breach their contracts.

220. Sabow, Stepanis, Patel, Kidder, Longo, Hanlon, and Andersen did in fact breach their contracts.



1 228. The foregoing conduct of Defendants was willful and malicious, was performed with  
2 intent to injure Plaintiff, and was without justification or privilege. The Defendants' conduct was  
3 undertaken in furtherance of their own personal interest.

4 229. Plaintiff has been damaged by Defendants' actions in an amount to be determined at  
5 trial, but in excess of \$1 billion.

6  
7 **NINTH CAUSE OF ACTION**

8 **(Violation of the Defend Trade Secrets Act,**  
9 **18 U.S.C. § 1836 Against All Defendants)**

10 230. Plaintiff repeats, realleges, and incorporates paragraphs 1 through 229 as if set forth  
11 fully herein.

12 231. The confidential and proprietary information described above constitutes Plaintiff's  
13 trade secrets.

14 232. This information is valuable because Plaintiff, and SVB before it, have invested great  
15 sums of money and years of effort to create the information, and it is not generally known or readily  
16 accessible, through proper means, to others (like HSBC) who can profit from its disclosure or use.

17 233. Plaintiff, and SVB before it, have taken more than adequate measures under the  
18 circumstances to maintain the secrecy of this information, including requiring passwords to be used to  
19 access Company computer systems and records, restricting access to business premises, and having  
20 employees such as the Individual Defendants sign contracts that expressly prohibit, among other things  
21 described above, the use, removal and disclosure of such information outside of the Company.

22 234. In addition, like First Citizens, SVB required the Individual Defendants to sign and  
23 abide by various policies the content of which contain reasonable steps to maintain the secrecy of the  
24 information the Defendants misappropriated in this case. This includes a Code of Conduct  
25 Acknowledgment Form, which stated "I acknowledge and confirm that I have received, read, and  
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1 understood the policy document listed below [i.e., the SVB Code of Conduct] and agree to comply  
2 with its requirements. True and correct copies of the Code of Conduct Acknowledgement Forms  
3 executed by the Individual Defendants are attached as **Exhibits Y through EE** and incorporated by  
4 reference as if set forth fully herein.

5  
6 235. The SVB Code of Conduct state that it “applies to all employees and entities of SVB  
7 Financial Group (SVBFG) and its subsidiaries” and that the employees “are required to comply with  
8 the Code” and must “protect Company assets.” A true and correct copy of the SVB Code of Conduct  
9 is attached as **Exhibit FF** and incorporated by reference as if set forth fully herein.

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

16  
17 237. In addition, SVB required the Individual Defendants (except Sabow) to sign an  
18 Employee Handbook Acknowledgment Form for the SVB Employee Handbook – United States of  
19 America. (Sabow signed the Acknowledgement Form for the SVB UK Employee Handbook). The  
20 Acknowledgement Form for the US Handbook stated “I acknowledge and confirm that I have  
21 received, read, and understood the policy document listed below [i.e., the SVB Employee Handbook –  
22 United States of America] and agree to comply with its requirements. True and correct copies of the  
23 Employee Handbook Acknowledgement Forms executed by the Individual Defendants (excluding  
24 Sabow) are attached as **Exhibits GG through LL** and incorporated by reference as if set forth fully  
25 herein.  
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1           238. The SVB Employee Handbook states that employees must, among other things avoid  
2 conflicts of interest; avoid actions that are dishonest, fraudulent or that jeopardize the security of  
3 SVB’s operations, its employees or clients; limit transmission of Confidential Information (even within  
4 SVB) to purposes that are necessary for a legitimate business purpose; comply with the Code of  
5 Conduct; understand and comply with SVB’s applicable information security policies; and return all  
6 property including Confidential Information in any form upon the end of their employment.  
7

8           239. The Bridge Bank adopted SVB’s Code of Conduct, policies, procedures, and  
9 compliance regime.

10           240. The Individual Defendants misappropriated Plaintiff’s trade secrets by disclosing them  
11 to HSBC despite knowing they had a duty to maintain their secrecy.

12           241. HSBC misappropriated Plaintiff’s trade secrets by acquiring them through improper  
13 means including through breach or inducement of a breach of a duty to maintain secrecy.  
14

15           242. All Defendants misappropriated Plaintiff’s trade secrets by using them despite knowing  
16 that they were acquired under circumstances giving rise to a duty to maintain their secrecy.

17           243. Plaintiff did not consent to the use and disclosure of its trade secrets, nor did it consent  
18 to HSBC’s acquisition of its trade secrets.

19           244. Plaintiff’s trade secrets at issue in this case are related to products and services that are  
20 placed in or are intended to be placed in, interstate or foreign commerce due to the fact that SVB’s  
21 products and services are used and sold across the United States and internationally.  
22

23           245. Defendants expended great effort to conceal their misappropriation of Plaintiff’s trade  
24 secrets including by expediting the use of trade secrets over the course of Easter weekend so that  
25 Plaintiff would be caught by surprise.

26           246. Upon information and belief, Defendants intend to continue using Plaintiff’s trade  
27 secrets.  
28

1 247. Defendants’ misappropriation of Plaintiff’s trade secrets was willful and malicious, was  
2 performed with intent to injure Plaintiff, and was without justification or privilege. Defendants’  
3 conduct was undertaken in furtherance of their own personal interest.

4 248. Plaintiff has been damaged by Defendants’ actions in an amount to be determined at  
5 trial, but in excess of \$1 billion.

6  
7 **TENTH CAUSE OF ACTION**

8 **(Violation of the California Uniform Trade Secrets Act,**  
9 **Cal. Civ. Code § 3426, And/Or the North Carolina Trade Secrets**  
10 **Protection Act, § 66-152 et seq. Against All Defendants)**

11 249. Plaintiff repeats, realleges, and incorporates paragraphs 1 through 248 as if set forth  
12 fully herein.

13 250. The information described above constitutes Plaintiff’s trade secrets.

14 251. This information is valuable because Plaintiff, and SVB before it, have invested great  
15 sums of money and years of effort to create the information, and it is not generally known to the public  
16 or to others (like HSBC) who can profit from its disclosure or use.

17 252. Plaintiff, and SVB before it, have taken more than reasonable measures under the  
18 circumstances to maintain the secrecy of this information, including requiring passwords to be used to  
19 access Company computer systems and records, restricting access to business premises, and having  
20 employees such as the Individual Defendants sign contracts that expressly prohibit the use, removal  
21 and disclosure of such information outside of the Company.

22 253. In addition, SVB and First Citizens required the Individual Defendants to sign and abide  
23 by various policies as described above the content of which contain reasonable steps to maintain the  
24 secrecy of the information the Defendants misappropriated in this case.  
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1           263. The computer system used by the employee from whom Sabow requested information  
2 via instant message on March 16, 2023 is a “protected computer” pursuant to 18 U.S.C. § 1030 in that  
3 it was and is a computer used regularly and consistently by the Company to conduct business and  
4 communicate throughout the United States, and thus, in and affecting interstate commerce or  
5 communication.

6  
7           264. The computer system used by the employee who emailed himself a spreadsheet on  
8 Monday, April 10, 2023, the day after the Easter Sunday raid (i.e., the day after the employee  
9 participated in the *en masse* resignation from First Citizens to join the Individual Defendants at HSBC)  
10 is a “protected computer” pursuant to 18 U.S.C. § 1030 in that it was and is a computer used regularly  
11 and consistently by the Company to conduct business and communicate throughout the United States,  
12 and thus, in and affecting interstate commerce or communication.

13  
14           265. The Defendants were not authorized to access or use the Company’s computer systems  
15 for the purpose of misappropriating the Company’s confidential, proprietary and trade secret  
16 information. Nor were the Defendants authorized to access the Company’s computer systems  
17 indirectly through Company employees or by directing, inducing, or encouraging Company employees  
18 to do so without authorization or in excess of any authorization.

19           266. By engaging in the wrongful actions alleged herein, the Defendants knowingly and  
20 wrongfully obtained information from the protected computers with the intent to defraud the Company  
21 and to further their illicit conspiracy; used such protected computers for fraudulent purposes;  
22 misappropriated valuable information belonging to the Company from the protected computers; and  
23 damaged the integrity of the information stored on the protected computers.

24  
25           267. The damage that the Defendants caused to the protected computers and the information  
26 stored therein resulted in, among other things, the impairment to the integrity, confidentiality, and  
27 availability of data, programs, systems, and information contained in the protected computers.  
28







**JURY DEMAND**

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

Dated: May 22, 2023

By:

  
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