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[Bond Giant Nuveen Must Face Claim It Bullied Banks.](#)

- **Judge finds Nuveen’s speech rights don’t require tossing suit**
- **Texas-based bond fund says Nuveen seeking to organize boycott**

Preston Hollow Capital LLC can proceed with a defamation lawsuit against municipal bond giant Nuveen LLC, which is accused of running an intimidation campaign designed to decimate its smaller rival.

Preston Hollow presented sufficient allegations to move the case forward, Delaware Chancery Court Judge Sam Glasscock III said Tuesday. The judge rejected Nuveen’s claim that its constitutional rights to freedom of speech allowed it to denigrate Preston Hollow’s business practices, saying that argument needed more examination.

Preston Hollow claims Nuveen and its head of municipal-bond investments, John Miller, interfered with the Dallas-based firm’s business contacts and disparaged its operations in an effort to pressure other bond players to stop working with it. Nuveen, which oversees more than \$140 billion of municipal bonds and manages the biggest U.S. high-yield muni bond fund, generates millions of dollars in revenue for Wall Street trading desks.

Glasscock’s ruling clears the way for Preston Hollow officials to gather information from bond-market players such as Goldman Sachs Group Inc. and JPMorgan Chase & Co. about recordings of telephone calls between Miller and other Nuveen officials. The company hopes to uncover new evidence of Nuveen’s efforts to damage it.

Miller and his team allegedly called Deutsche Bank AG in December, demanding it unwind more than \$400 million in financing deals with Preston Hollow and pressured the bank not to provide future loans.

“Today’s ruling was based on the allegations in the complaint, and not on the evaluation of any evidence,” Stewart Lewack, a spokesman for Chicago-based Nuveen, said in an email. “We continue to believe the claims are without merit and will vigorously defend ourselves.”

Jonathan Morgan, a spokesman for Preston Hollow, declined to comment.

Glasscock didn’t rule on Preston Hollow’s request that he order Miller and other Nuveen officials to stop denigrating the fund or doing anything to scare off financial institutions — such as Deutsche Bank — from doing business with it.

The judge said he wants further submissions from lawyers to determine whether Nuveen’s comments that Preston Hollow charged “excessive rates” on some bond transactions and engaged in “corrupt deals” in others met the test for defamation or amounted to puffery. That will help Glasscock decide whether to order Nuveen to stop what Preston Hollow calls “trash talking.”

The case is Preston Hollow Capital LLC v. Nuveen LLC, 2019-0169, Delaware Court of Chancery (Georgetown).

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