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[Hilltop Securities Sues Ex-Employee for Stealing Client Data.](#)

Hilltop Securities Inc., the third-biggest adviser on bonds issued by U.S. states and local governments, sued a former employee for allegedly stealing confidential files before leaving for competitor RBC Capital Markets.

Hilltop claims Alex Bugallo, a former managing director in its Orlando, Florida, office, downloaded client debt analyses, spreadsheets and client contacts to a flash drive and emailed other documents to a personal account in the two months before resigning in April.

Bugallo also deleted hundreds of files, including requests for proposals and client debt profiles known as debt maps, from Hilltop's network, the firm said in its lawsuit, filed on May 3 in federal court in Orlando. The aim was to sabotage Hilltop's service so clients would follow Bugallo to RBC, according to the suit.

A call to Bugallo's cellphone seeking comment on the suit was immediately disconnected.

RBC isn't named as a defendant in the complaint. Cody Pan, an RBC spokesman, had no immediate comment on the suit.

"The manner and timing in which Bugallo retained particular Hilltop information while obscuring it from Hilltop plainly shows that Bugallo engaged in a concerted and coordinated effort to cause immediate, ongoing, and lasting harm to Hilltop, damage its business operations in the greater Orlando market and beyond and eliminate lawful competition," according to the suit.

Dallas-based Hilltop advised on \$30.5 billion in long-term fixed-rate municipal bond sales last year, according to data compiled by Bloomberg.

Hilltop demanded that Bugallo give the information back, but he didn't respond, the firm said in the complaint. He breached nondisclosure and nonsolicitation agreements and should be compelled to return the materials and prevented from disclosing them, Hilltop said. It is also seeking unspecified damages.

The case is Hilltop Securities Inc. v. Alejandro Mariano Bugallo, 21-cv-00776, U.S. District Court, Middle District of Florida (Orlando).

Bloomberg Markets

By Martin Z Braun

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