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Nuveen Defeats Preston Hollow Defamation Suit Over Trash Talk.

- **Market ‘chatter’ didn’t prove reputational damage, judge finds**
- **Preston Hollow appeals; Nuveen still faces its antitrust suit**

A campaign by US municipal bond powerhouse Nuveen LLC to disparage Preston Hollow Capital LLC on Wall Street didn’t harm the reputation of the smaller competitor, a Delaware judge ruled.

Superior Court Judge Mary Johnston found that Dallas-based Preston Hollow didn’t lose business in the market for high-yield municipal debt as a result of allegations by Nuveen’s head of municipal investments, John Miller, that Preston Hollow participated in illegal deals and charged borrowers excessive rates.

“The court finds that the record evidence does not include the testimony of any witnesses that their opinions were changed as a result of defendant’s statements,” Johnston wrote in an opinion unsealed Monday. “Speculation and amorphous industry ‘chatter’ is not sufficient to create a reasonable inference that plaintiff’s reputation was grievously fractured in the community.”

Preston Hollow filed a notice of appeal to Delaware Supreme Court on Wednesday.

Dozens of Depositions

None of the 35 Wall Street traders, bankers and salespeople deposed by Nuveen testified that their firms stopped doing business with Preston Hollow or that their personal or companies’ opinion of Preston Hollow changed as a result of Nuveen’s statements, New York-based Nuveen asserted.

“We appreciate how the legal process played out and is an affirmation of our belief all along which is that PHC’s claims were meritless,” Nuveen said in a statement.

Preston Hollow was seeking as much as \$628 million in damages from Nuveen to compensate for lost business.

“Preston Hollow Capital respectfully disagrees with the Delaware Superior Court’s order concerning its defamation claim against Nuveen,” the firm said in a statement. “PHC will pursue an appeal that, we believe, will lead to a reversal, a full trial on the merits of PHC’s defamation claim, and a complete accounting of the harm it suffered as the result of Nuveen’s conduct.”

Preston Hollow Win

A Delaware Chancery Court judge earlier found for Preston Hollow but couldn’t award damages, so the firm sued in Delaware Superior Court.

Nuveen, a unit of teachers investment group TIAA that oversees more than \$200 billion in municipal bonds, still faces allegations by Preston Hollow in federal court that it used its market power as one of the biggest buyers of state and local government bonds to freeze out the smaller firm.

Preston Hollow is seeking at least \$100 million for alleged illegal anticompetitive conduct in blocking its access to deals in the high-yield municipal bond market.

Nuveen denies the claims and is fighting the suit.

The state case is Preston Hollow Capital LLC v. Nuveen LLC, N19C-10-107, Delaware Superior Court (Wilmington).

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