About HilltopSecurities
With deep industry knowledge, Texas-based HilltopSecurities was brought forth when two successful full-service broker-dealers united. HilltopSecurities launched over 75 years ago and now employs over 700 people, proudly delivering wealth management, public finance, fixed income, and structured finance services to clients across the United States.

Background & Drivers
In 2014, HilltopSecurities - then Southwest Securities – was serving its customers well; however, it sought improvements to its legacy software to expand the ability for real-time intraday visibility and end-of-day reporting. The firm was in need of a real-time risk management system that would enable them to:

- Monitor trade activity via drop copy
- Map the transactions into the client-defined hierarchy
- Evaluate impact of each transaction for applicable correspondents and generate alerts when client-defined thresholds are breached
- Make the alerts available via a client summary dashboard, an event table with details of the events, and email alerts

Following its search, HilltopSecurities decided to work with Nasdaq to implement Nasdaq’s existing pre- and at-trade risk management solution. In doing so, the firm was able to meet its key requirements and gain a real-time view of its clients’ activities across multiple venues and order management systems.

Between the initial onboarding of HilltopSecurities in 2014 and 2021, Nasdaq consolidated several legacy risk solutions to develop a cloud-native, best-in-class risk platform. When working with HilltopSecurities to evaluate how its risk program had evolved over the tenure of their partnership, they identified three key benefits that HilltopSecurities could recognize from upgrading their risk technology stack and services to the Nasdaq Risk Platform:

- **Increase Capital Efficiency**
  Better utilize capital for revenue generating activities and reduce total cost of ownership (TCO)

- **Reduce Operational Risk**
  Anticipate and mitigate risk in real-time

- **Streamlining Technology**
  Consolidate risk structure and increase information security
Solution

Nasdaq Risk Platform was developed using the latest technology frameworks and architectural principles. It is designed to implement high-performance, scale and modularity. The cloud-native solution provides real-time visibility of risk exposure, initial margin requirements, counterparty risk controls and improved risk-adjusted outcomes across asset classes. Its open and flexible risk aggregation framework allows integration of market data sources and risk models, enabling clients to consolidate asset-specific point solutions for risk management into one single multi-asset solution improving capital and liquidity monitoring.

Speaking on the long-standing partnership, Relationship Manager at HilltopSecurities, Clay Goodson commented, “HilltopSecurities has enjoyed a long, successful relationship with Nasdaq. Over the years, we’ve cultivated a harmonious way of working, which has undoubtedly increased our speed to market and ability to offer our valued clients optimized clearing services.”

Goodson concluded, “Nasdaq Risk Platform gives us exactly what we need. We’re well taken care of by the Nasdaq Risk Platform customer success team; they’re easy to deal with and quick to respond to us. I’m confident we will continue the relationship for many years to come.”

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  HilltopSecurities

A configurable view of real-time correspondent clearing exposure aggregated by Account, Venue and Ticker.

This image shows an Execution Broker breaching their Total Capital limit. This view provides an intraday and a historical detail of this Broker’s limit utilization and a alert workflow to support the correspondent clearer's investigation into the limit breach event.
Results & Benefits

Nasdaq Risk Platform’s end-to-end managed services provide HilltopSecurities with a quick deployment and data migration in conjunction with Amazon Web Services (AWS), enabling it to go-to-market with ease and agility, with no downtime or interruptions to its business.

Nasdaq Risk Platform’s cloud-native infrastructure provides HilltopSecurities with continuous and agile development – allowing for regular and seamless upgrades as well as the most up-to-date user experiences, integrations, security, and scalability.

In addition, HilltopSecurities benefits from a highly configurable user interface, which empowers it to increase personalized views. “We can now build as many bespoke workspaces as we want. Nasdaq Risk Platform enables us to generate historical activity and allows us to get as granular as possible. In short, the flexibility has given us greater data insights into a single source of truth,” said Goodson.

Due to Nasdaq Risk Platform’s vast direct connectivity with nearly every US execution venue (and some in Canada), HilltopSecurities can monitor real-time trades with clearer visibility of client business, enhancing their correspondent trading power. HilltopSecurities is positioned to quickly see where its trades are at any time of the day with ease. This aggregation of data enables HilltopSecurities to put automated intraday controls in place, enabling teams to take immediate action if intraday risk breaches its risk policy.

Conclusion

Throughout the past 8 years, Nasdaq has evolved its risk technology and services to adapt to market changes and meet client needs. As a dedicated partner, Nasdaq continues to deliver first-class customer care, training and agile support to HilltopSecurities.

Delivered as a cloud-native, SaaS solution, Nasdaq Risk Platform specializes in minimizing operational risk and increasing capital efficiency, to enable firms to focus on what matters most – driving revenue.

The solution is dedicated to protecting and empowering firms across the spectrum. From banks and brokers to energy producers, the Nasdaq Risk Platform can help you provide security measures and improve profitability for your business.

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nasdaq.com/solutions/nasdaq-risk-platform
About Nasdaq

Nasdaq is a global technology company serving the capital markets and other industries. As one of the world's largest market infrastructure technology providers, Nasdaq provides multi-asset solutions that power 130+ marketplaces, CCPs, CSDs and regulators in over 50 countries. For the banking and broker-dealer community, Nasdaq delivers institutional-grade trading and real-time risk solutions that help organizations drive transparency, liquidity, and efficient capital management.

Our risk management solution, Nasdaq Risk Platform, provides cross-asset, cross-market risk capabilities that support banks, broker-dealers and clearing firms in managing the risks that matter in real-time. A SaaS-deployed, cloud native-solution, the Nasdaq Risk Platform can help firms get to market faster with latest in streaming real-time analytics that empower critical decision-making.

Our capabilities are road-tested and support the sell-side community to operate effectively in modernized markets.

Sign-Off

Nasdaq Risk Platform. Helping customers keep it real (time).

Nasdaq Risk Platform is a real-time single point of access risk platform for sell-side and clearing broker communities. Nasdaq's SaaS-delivery model enables scalability, rapid time to market, and flexible technology upgrades that further bolster risk management capabilities for the sell-side and clearing broker communities. The real-time risk parameters allow for fast and effective risk mitigation while helping to protect a firm's balance sheet.

To find out how Nasdaq can help your trading and risk operations, please visit www.nasdaq.com/solutions/nasdaq-risk-platform