

Subject: RE: Escalation: ONB-1135648 / LKYCGB-160049 / Southern Financial LLC [I]

From: Nicholas Hislop <[REDACTED]>
Date: Tue, 22 May 2018 04:42:27 -0400
To: Kareen Johnson <[REDACTED]>
Cc: Simon Nall <[REDACTED]>,
Martin Zeman <[REDACTED]>,
Daniel-A Klyashtorny <[REDACTED]>,
Nina Tona <[REDACTED]>,
Xavier Avila <[REDACTED]>,
Davide-A Sferrazza <[REDACTED]>,
AMLUK Reviews <[REDACTED]>,
Devshiji Odedra <[REDACTED]>,
Ian Salters <[REDACTED]>,
Ricky-x Patel <[REDACTED]>,
Jesse-J Cruz <[REDACTED]>,
Zack Bunimovich <[REDACTED]>,
Jonathan Whittle <[REDACTED]>,
James Gladwin <[REDACTED]>

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From what I can see in the audit, the profile was loaded, and has actually been through the workflow post loading.

I can only assume that this is a case of the profile being out of date or not complete (ie KYC missing, this was originally a UP in London migration and few Ups were found to have KYC).

From: Kareen Johnson
Sent: 22 May 2018 02:35
To: Nicholas Hislop <[REDACTED]>
Cc: Simon Nall <[REDACTED]>; Martin Zeman <[REDACTED]>;
Daniel-A Klyashtorny <[REDACTED]>; Nina Tona
<[REDACTED]>; Xavier Avila <[REDACTED]>; Davide-A Sferrazza
<[REDACTED]>; AMLUK Reviews <[REDACTED]>; Devshiji
Odedra <[REDACTED]>; Ian Salters <[REDACTED]>; Ricky-x
Patel <[REDACTED]>; Jesse-J Cruz <[REDACTED]>; Zack
Bunimovich <[REDACTED]>; Jonathan Whittle
<[REDACTED]>; James Gladwin <[REDACTED]>
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The concern is not because of the risk level

and escalation, but the fact there was no previous GB review when products have been added since 2014.

Kareen Johnson

On May 21, 2018, at 12:07 PM, Nicholas Hislop <[REDACTED]> wrote:

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Hi Kareen,

Is this not because the client is High risk and therefore all extensions are routed to AFC, and/or the Global KYC was out of date? Therefore the completion of the global triggered the local requests for review?

From: Kareen Johnson
Sent: 21 May 2018 12:34
To: Nicholas Hislop <[REDACTED]>
Cc: Simon Nall <[REDACTED]>; Martin Zeman <[REDACTED]>;
Daniel-A Klyashtorny <[REDACTED]>; Nina Tona
<[REDACTED]>; Xavier Avila <[REDACTED]>; Davide-A Sferrazza
<[REDACTED]>; AMLUK Reviews <[REDACTED]>; Devshiji
Odedra <[REDACTED]>; Ian Salters <[REDACTED]>; Ricky-x
Patel <[REDACTED]>; Jesse-J Cruz <[REDACTED]>; Zack
Bunimovich <[REDACTED]>; Jonathan Whittle
<[REDACTED]>; James Gladwin <[REDACTED]>
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LLC [I]

Good day Nick -

We have an issue here where in dbCAR this relationship did not reflect an old GB review date. We can see in the master profile that the relationship

was created several years ago under DBAG, but now when extending for a new product, the review was missing completely. The file was escalated to AML for review and approved . This action triggered a GB review date for the very first time.

Is it possible this was a merger issue?

Please let me know if your team could take a look and if additional information is needed.

Thank you!

Kareen Johnson

On May 18, 2018, at 12:11 PM, James Gladwin <[REDACTED]> wrote:

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Hi Simon,

Absolutely, quite simply:

i. Our Jacksonville CDS colleague, Kareen Johnson, will be reaching out to the dbCLIENT merger team to query the status/success of the KCP merge from dbCLIENT to dbCAR

a. @Kareen, it would be great if I could be CC'd in to your correspondence so that AFC can be advised accordingly

ii. Nina Tona from business side will be providing myself with the list of KCP clients so that I can conduct a sanity sample check

Both colleagues have been instrumental in assisting with this extension request.

I will provide feedback on the above in due course.

Kind regards,

<image001.gif>

James Gladwin

AFC Business Advisory

Anti-Financial Crime

DBOI Global Services (UK) Limited

5 Brindley Place, Birmingham, B1 2JB, United Kingdom

Email: [REDACTED]

P Please consider the environment before printing this email

From: Simon Nall

Sent: 16 May 2018 15:26

To: James Gladwin <[REDACTED]>; Martin Zeman <[REDACTED]>

Cc: Kareen Johnson <[REDACTED]>; Daniel-A Klyashtorny <daniel-

[REDACTED]>; Nina Tona <[REDACTED]>; Xavier Avila

<[REDACTED]>; Davide-A Sferrazza <[REDACTED]>; AMLUK

Reviews <[REDACTED]>; Devshiji Odedra <[REDACTED]>;

Ian Salters <[REDACTED]>; Ricky-x Patel <[REDACTED]>;

Jesse-J Cruz <[REDACTED]>; Zack Bunimovich <[REDACTED]>

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James

Thank you for the update

Can you confirm the plan for the feedback on 3A below

Kind Regards

Simon Nall

TEL – [REDACTED]

<image001.gif>

Deutsche Bank

Email [REDACTED]

From: James Gladwin
Sent: 16 May 2018 15:19
To: Martin Zeman <[REDACTED]>
Cc: Karen Johnson <[REDACTED]>; Daniel-A Klyashtorny <daniel-[REDACTED]>; Nina Tona <[REDACTED]>; Xavier Avila <[REDACTED]>; Davide-A Sferrazza <[REDACTED]>; AMLUK Reviews <[REDACTED]>; Devshiji Odedra <[REDACTED]>; Ian Salters <[REDACTED]>; Simon Nall <[REDACTED]>; Ricky-x Patel <[REDACTED]>; Jesse-J Cruz <[REDACTED]>; Zack Bunimovich <[REDACTED]>
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Hello all,

After liaising with Global CDS teams and specialist colleagues, UK AFC have identified the key barriers and now duly approved the Extension request.

I am happy to confirm that a BRG approval will NOT be necessary for this Extension.

For the sake of clarity and knowledge sharing it would be prudent to share a brief summary of the cause and resolution of such. I am more than happy to discuss and expand further via telephony should it be requested.

i. Extension request was received by UK AFC and upon our initial review of the request it was apparent that there was no UK adoption within the dbCAR system, therefore AFC queried the requirement of a BRG review

ii. Post investigation identified UK products had been booked WITHOUT a UK adoption – a never seen before scenario

iii. Escalations to local policy colleagues and global CDS teams had also never seen such a scenario. Two cause theories were presented;

a. KCP clients had migrated from dbCLIENT to dbCAR, potentially the migration did not complete correctly (this will continue to be investigated SEPERATELY to this Extension request)

b. At the very first adoption of the client/extension to UK GM products, this was not correctly booked within our internal systems

iv. Fixes to the dbCAR profile were discussed between Global CDS teams, of which the latter was chosen due to time constraints and the impact upon our first line colleagues ;

a. LKYC-US to be reviewed and approved by US colleagues which would subsequently updated the LRD/NRD dates, subsequent leverage could be used off of the LRDs to create an NCA to book the client correctly (US CDS colleagues advised that they did not believe the LKYCUS was to be further actioned)

b. LKYC-GB to be approved to kick start the NCA & LRD/NRD dates within dbCAR

v. Following the LKYC-GB being approved, the file was immediately reviewed and was deemed that the UK adoption location had been fixed

vi. Subsequent Extension request was approved

Many thanks to all that shared their knowledge, I will be looking further into KCP clients with UK adoptions to ensure that such scenarios do not become a recurrent theme.

As always, please give me a shout if you have any questions.

Kind regards,

<image001.gif>

James Gladwin

AFC Business Advisory

Anti-Financial Crime

DBOI Global Services (UK) Limited

5 Brindley Place, Birmingham, B1 2JB, United Kingdom

Email: [REDACTED]

P Please consider the environment before printing this email

From: James Gladwin

Sent: 11 May 2018 18:44

To: Martin Zeman <[REDACTED]>; Zack Bunimovich

<[REDACTED]>; Jesse-J Cruz <[REDACTED]>

Cc: Kareen Johnson <[REDACTED]>; Daniel-A Klyashtorny <daniel-

[REDACTED]>; Nina Tona <[REDACTED]>; Xavier Avila

<[REDACTED]>; Davide-A Sferrazza <[REDACTED]>; AMLUK

Reviews <[REDACTED]>; Devshiji Odedra <[REDACTED]>;

Ian Salters <[REDACTED]>; Simon Nall <[REDACTED]>; Ricky-x

Patel <[REDACTED]>

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LLC [I]

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Hello all,

I have had the pleasure with speaking directly with Martin and colleagues to assist UK AFC with this KCP Extension.

UK AFC are kindly in receipt of the KCP GM policy dated June 2017 (duly noted that this is currently under review), this document has proved useful in giving context to the UK GM product nexus with solely a US booking.

Due to the local UK time, I will be discussing KCP Extensions with my management on Monday as to best understand and process such requests in the future.

I truly appreciate the time and knowledge that has been shared and look forward to our conversations next week as to support each other.

Many thanks all,

<image001.gif>

James Gladwin

AFC Business Advisory

Anti-Financial Crime

DBOI Global Services (UK) Limited

5 Brindley Place, Birmingham, B1 2JB, United Kingdom

Email: [REDACTED]

EFTA01400080

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From: James Gladwin
Sent: 10 May 2018 09:47
To: Martin Zeman <[REDACTED]>; Zack Bunimovich <[REDACTED]>; Jesse-J Cruz <[REDACTED]>
Cc: Kareen Johnson <[REDACTED]>; Daniel-A Klyashtorny <daniel-[REDACTED]>; Nina Tona <[REDACTED]>; Xavier Avila <[REDACTED]>; Davide-A Sferrazza <[REDACTED]>; AMLUK Reviews <[REDACTED]>; Devshiji Odedra <[REDACTED]>
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Hello all,

Do we have BRG approval for this?

This appears to be a cross-jurisdictional adoption from DBSI to [REDACTED] AG, furthermore, the LRD for the US is 2016 and does not appear to be in the Remediation pipeline?

For Extensions to be approved, AFC UK require:

- i. BRG approval to consider cross-jurisdictional approvals which result in newly booked High Risk clients
- ii. The file to be within NRD date and if not, must be within the Remediation pipeline – of which it appears it is neither

@CDS colleagues,

Please consider the above points, I am happy to further explain on the phone to assist our business colleagues & clients expectations.

@Martin

I will keep you updated on the progress made.

Many thanks all,

<image001.gif>

James Gladwin

AFC Business Advisory

Anti-Financial Crime

DBOI Global Services (UK) Limited

5 Brindley Place, Birmingham, B1 2JB, United Kingdom

Email: [REDACTED]

P Please consider the environment before printing this email

From: Martin Zeman

Sent: 08 May 2018 20:27

To: Zack Bunimovich <[REDACTED]>; AMLUK Reviews

<[REDACTED]>; Jesse-J Cruz <[REDACTED]>; James Gladwin

<[REDACTED]>

Cc: Kareen Johnson <[REDACTED]>; Daniel-A Klyashtorny <daniel-

[REDACTED]>; Nina Tona <[REDACTED]>; Xavier Avila

<[REDACTED]>; Davide-A Sferrazza <[REDACTED]>

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James – responding to your questions below. The extension is permanent. Southern Financial LLC trade global macro and are looking to buy CDX IG payer spreads as a hedge for their overall equities and fixed income portfolio they trade with [REDACTED]. The initial size is around \$100M.

Please call me if you need any more details. This is a priority for our desk. Thank you.

From: Zack Bunimovich
Sent: Tuesday, May 08, 2018 12:24 PM
To: AMLUK Reviews <[REDACTED]>; Jesse-J Cruz <jesse-[REDACTED]>; James Gladwin <[REDACTED]>
Cc: Kareen Johnson <[REDACTED]>; Daniel-A Klyashtorny <daniel-[REDACTED]>; Martin Zeman <[REDACTED]>; Nina Tona <[REDACTED]>
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+Nina

From: Zack Bunimovich
Sent: Tuesday, May 08, 2018 10:21 AM
To: AMLUK Reviews <[REDACTED]>; Jesse-J Cruz <jesse-[REDACTED]>; James Gladwin <[REDACTED]>
Cc: Kareen Johnson <[REDACTED]>; Daniel-A Klyashtorny <daniel-[REDACTED]>; Martin Zeman <[REDACTED]>
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Hi James,

For ii, this is a permanent extension.

Martin – can you advise on the questions from James in i. below?

Thanks,

Zack

From: James Gladwin On Behalf Of AMLUK Reviews

Sent: Tuesday, May 08, 2018 10:18 AM

To: Jesse-J Cruz <[REDACTED]>; James Gladwin <[REDACTED]>

Cc: Kareen Johnson <[REDACTED]>; Daniel-A Klyashtorny <daniel-

[REDACTED]>; Zack Bunimovich <[REDACTED]>; AMLUK

Reviews <[REDACTED]>

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Hi both,

I am happy to help.

Just a couple of immediate questions to help expedite this:

- i. What is the business purpose for the extension?
 - a. Elaborate on key details including; booked trades, expected volumes
- ii. Is the extension request permanent or temporary?
 - a. Please provide activation/closure dates if temporary

FYI, Helen has been removed from the chain as she has left the bank.

AMLUK.COMPLIANCE has been removed, AMLUK.REVIEWS primarily work extensions/reactivations now alongside our PRs/EDRs and not the aforementioned team.

Many thanks!

<image001.gif>

James Gladwin

AFC Business Advisory

Anti-Financial Crime

DBOI Global Services (UK) Limited

5 Brindley Place, Birmingham, B1 2JB, United Kingdom

Email: [REDACTED]

P Please consider the environment before printing this email

From: Jesse-J Cruz

Sent: 08 May 2018 15:06

To: AMLUK Reviews <[REDACTED]>; amluk compliance

<[REDACTED]>; James Gladwin <[REDACTED]>; Helen Ncube

<[REDACTED]>

Cc: Kareen Johnson <[REDACTED]>; Daniel-A Klyashtorny <daniel-

[REDACTED]>; Zack Bunimovich <[REDACTED]>

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James/Helen,

Can you assist with this request? Please make top priority.

Thanks,

Jesse

From: Zack Bunimovich

Sent: Monday, May 07, 2018 3:51 PM

To: Jesse-J Cruz <[REDACTED]>; AMLUK Reviews

<[REDACTED]>; amluk compliance <[REDACTED]>

Cc: Kareen Johnson <[REDACTED]>; Daniel-A Klyashtorny <daniel-

[REDACTED]>

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Hi AML teams,

Can you please revert on the below?

Thanks,

Zack

From: Jesse-J Cruz

Sent: Thursday, May 03, 2018 3:05 PM

To: AMLUK Reviews <[REDACTED]>; amluk compliance
<[REDACTED]>
Cc: Zack Bunimovich <[REDACTED]>; Kareen Johnson
<[REDACTED]>
Subject: Escalation: ONB-1135648 / LKYCGB-160049 / Southern Financial LLC [I]

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Hi All,

We are performing a principal product extension for Southern Financial, LLC for GED, Convertible Bonds, and Global Credit Derivatives in DBAG. DBcar triggered a high risk rating. Attached is an EDD package comprised of the following:

- Searches
- Formation documents
- Tax document
- Correspondence with client emails
- Financial statements

Please let me know if you need any additional information.

Kind regards,

<image002.png>

Jesse Jay Cruz

Analyst

Deutsche Bank Securities Inc.

Client Data Services | DBUSA Core Corp.

5201 Gate Parkway, 32256 Jacksonville, USA

Tel: [REDACTED]

Email: [REDACTED]