

Subject: Southern Financial LLC - KYC and credit derivatives/convertible bonds onboarding [C]

From: Martin Zeman <[REDACTED]>

Date: Wed, 14 Mar 2018 17:08:50 -0400

To: Zack Bunimovich <[REDACTED]> ,

Rita Shteynberg <[REDACTED]> ,

Jitan Patel <[REDACTED]>

Cc: Xavier Avila <[REDACTED]> ,

Liam Osullivan <[REDACTED]> ,

Mathew Negus <[REDACTED]> ,

Alastair Mackinlay <[REDACTED]> ,

Davide-A Sferrazza <[REDACTED]> ,

Anthony Lentini <[REDACTED]>

Classification: Confidential

Zack,

See attached for what Nina Tona sent in the last email in this chain and I am adding the Formation Document. This should complete everything you asked for in your email from March 13.

We have a pending trade with the client in credit derivatives next week. Can you please put this as a priority?

Source of Wealth:

The source of wealth is Jeffrey Epstein as the sole shareholder. Jeffrey Epstein began his financial career in 1976 as an options trader at Bear Stearns and became a partner in 1980. In 1982, Epstein founded his own financial management firm, J. Epstein & Co., managing the assets of clients with more than a billion in net worth. In 1996, Epstein changed the name of his firm to The Financial Trust Company and based it on the island of St. Thomas in the US Virgin Islands, which merged into Southern Financial LLC. All of his clients were anonymous except for the very wealthy businessman Leslie Wexner. His wealth has come from his days at Bear Stearns and his financial management firms.

Client Contact:

Richard Kahn

EFTA01401833

212-971-1306

[REDACTED]

Formation Document:

Attached LLC Documents include the Articles of Organization,

Thanks,  
Martin

From: Nina Tona  
Sent: Tuesday, March 13, 2018 11:41 AM  
To: Zack Bunimovich <[REDACTED]>; Martin Zeman <[REDACTED]>; Xavier Avila <[REDACTED]>  
Cc: Rita Shteynberg <[REDACTED]>; Mathew Negus <[REDACTED]>; Jitan Patel <[REDACTED]>; Alastair Mackinlay <[REDACTED]>; Davide-A Sferrazza <[REDACTED]>; Anthony Lentini <[REDACTED]>  
Subject: RE: SF [I] [C]

Classification: Confidential

Zack,

I believe some of the below was already provided back in Feb. Please review below and attached to make sure they are sufficient and we'll get back on the additional.

- Ownership - Broken down to 10% (Org chart with %'s of ownership or confirmation from Senior Client Rep explaining the ownership breakdown)

EFTA01401834

- Legal Reps – Identify and Verify
- UBO's - Identify and Verify
- Source of Funds – Identification & Verification (Annual Report)
- Source of Wealth – Identify and Verify
- Client Contact for Patriot Act disclosure email
- Formation Document (Cert of Incorporation, etc)
- Nature of Business Doc
  
- Organization Chart
  - o Per attachment "Southern Financial Operating Agreement" (pages 1, 16)
    - § Southern Trust Company Inc. is the sole member of Southern Financial LLC
    - § Jeffrey Epstein is the sole shareholder of Southern Trust Company Inc.
  
- UBOs (Owners) that own greater than 10%
  - o Jeffrey Epstein is the sole UBO (see "Organization Chart" above)
  
- The source of funds for the UBOs (owners) that are greater than 10%
  - o Jeffery Epstein began his financial career in 1976 as an options trader at Bear Stearns and became a partner in 1980. In 1982, Epstein founded his own financial management firm, J. Epstein & Co., managing the assets of clients with more than a billion in net worth. In 1996, Epstein changed the name of his firm to The Financial Trust Company and based it on the island of St. Thomas in the US Virgin Islands, which merged into Southern Financial LLC. All of his clients were anonymous except for the very wealthy businessman Leslie Wexner. His wealth has come from his days at Bear Stearns and his financial management firms.

- List of Legal representatives
  - o Per attachment "Southern Financial Operating Agreement" (pages 16)
  - § Jeffrey Epstein, Darren K. Indyke, Richard Kahn
  
- Annual report
  - o See attachments "Southern Financial LLC Financials June 2017" and "Southern Trust Company Inc. Financials June 2017" for latest financial statements

Thank you

Nina Tona

From: Zack Bunimovich  
Sent: Tuesday, March 13, 2018 11:16 AM  
To: Martin Zeman <[REDACTED]>; Xavier Avila <[REDACTED]>  
Cc: Nina Tona <[REDACTED]>; Rita Shteynberg <[REDACTED]>;  
Mathew Negus <[REDACTED]>; Jitan Patel <[REDACTED]>;  
Alastair Mackinlay <[REDACTED]>; Davide-A Sferrazza <davide-  
[REDACTED]>; Anthony Lentini <[REDACTED]>  
Subject: RE: SF [I] [C]

Classification: Confidential

Hi Martin,

I just received the finalized KYC review yesterday. Even though the entity is opened for other products, it is outside of its KYC review date and is

triggering a high risk rating. In order to approve the account, the team will need the following:

- Ownership - Broken down to 10% (Org chart with %'s of ownership or confirmation from Senior Client Rep explaining the ownership breakdown)
- Legal Reps – Identify and Verify
- UBO's - Identify and Verify
- Source of Funds – Identification & Verification (Annual Report)
- Source of Wealth – Identify and Verify
- Client Contact for Patriot Act disclosure email
- Formation Document (Cert of Incorpor, etc)
- Nature of Business Doc

Thanks,

Zack

From: Martin Zeman  
Sent: Monday, March 12, 2018 10:19 AM  
To: Zack Bunimovich <[REDACTED]>; Xavier Avila <[REDACTED]>  
Cc: Nina Tona <[REDACTED]>; Rita Shteynberg <[REDACTED]>; Mathew Negus <[REDACTED]>; Jitan Patel <[REDACTED]>; Alastair Mackinlay <[REDACTED]>; Davide-A Sferrazza <davide-[REDACTED]>; Zach Price <[REDACTED]>  
Subject: RE: SF [I] [C]

Classification: Confidential

Morning Zack,

We haven't heard back from you on Friday. Can you let us know what the

timeline looks like today please?

Thanks,

Martin

From: Zack Bunimovich  
Sent: Friday, March 09, 2018 11:30 AM  
To: Xavier Avila <[REDACTED]>; Martin Zeman <[REDACTED]>  
Cc: Nina Tona <[REDACTED]>; Rita Shteynberg <[REDACTED]>;  
Mathew Negus <[REDACTED]>; Jitan Patel <[REDACTED]>;  
Alastair Mackinlay <[REDACTED]>; Davide-A Sferrazza <davide-  
[REDACTED]>; Zach Price <[REDACTED]>  
Subject: RE: SF [I] [C]

Classification: Confidential

Xavier,

The fund was still undergoing a KYC review per my last contact with the team. I will check again today.

Thanks,

Zack

From: Xavier Avila  
Sent: Friday, March 09, 2018 10:32 AM  
To: Martin Zeman <[REDACTED]>  
Cc: Nina Tona <[REDACTED]>; Zack Bunimovich <[REDACTED]>;  
Rita Shteynberg <[REDACTED]>; Mathew Negus  
<[REDACTED]>; Jitan Patel <[REDACTED]>; Alastair Mackinlay  
<[REDACTED]>; Davide-A Sferrazza <[REDACTED]>  
Subject: Re: SF [I]

Zack, what is the status on this urgent request?

Xavier Avila

Managing Director

Deutsche Bank Securities Inc

Mobile: [REDACTED]

Email: [REDACTED]

On Mar 5, 2018, at 15:09, Martin Zeman <[REDACTED]> wrote:

Classification: For internal use only

Zack,

Please go ahead and set them up for credit derivatives as well as convertible bonds. The credit derivatives is a priority and rather urgent. Client is ready to trade.

Thanks

Martin

From: Nina Tona

Sent: Monday, March 05, 2018 3:07 PM

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

<[REDACTED]>; Xavier Avila <[REDACTED]>; Rita

Shteynberg <[REDACTED]>; Mathew Negus <[REDACTED]>;

Jitan Patel <[REDACTED]>

Cc: Alastair Mackinlay <[REDACTED]>; Davide-A Sferrazza  
<[REDACTED]>; Mathew Negus <[REDACTED]>  
Subject: RE: SF [I]

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Martin – Please confirm we don't need SF to be extended for anything else besides credit derivatives and the products already onboarded.

Thank you

Nina Tona

From: Zack Bunimovich  
Sent: Monday, March 05, 2018 12:58 PM  
To: Xavier Avila <[REDACTED]>; Rita Shteynberg  
<[REDACTED]>; Mathew Negus <[REDACTED]>; Jitan Patel  
<[REDACTED]>  
Cc: Alastair Mackinlay <[REDACTED]>; Martin Zeman  
<[REDACTED]>; Davide-A Sferrazza <[REDACTED]>;  
Mathew Negus <[REDACTED]>; Nina Tona <[REDACTED]>  
Subject: RE: SF [I]

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Hi Xavier,

Nothing else is needed from your end at the moment. I will send this request to the KYC team for review and then setup. Can you confirm Credit Derivatives is the only necessary extension? I know Convertible Bonds were also in the discussion.

I see the BR 1007494283 set up for a decent amount of products already. See below.

<image001.jpg>

Thanks,

Zack

From: Xavier Avila  
Sent: Monday, March 05, 2018 11:45 AM  
To: Rita Shteynberg <[REDACTED]>; Mathew Negus <[REDACTED]>; Jitan Patel <[REDACTED]>; Zack Bunimovich <[REDACTED]>  
Cc: Alastair Mackinlay <[REDACTED]>; Martin Zeman <[REDACTED]>; Davide-A Sferrazza <[REDACTED]>; Mathew Negus <[REDACTED]>; Nina Tona <[REDACTED]>  
Subject: RE: SF [I]

Thanks Rita.

Zack, let us know what next steps are.

From: Rita Shteynberg  
Sent: Monday, March 05, 2018 11:08 AM  
To: Xavier Avila <[REDACTED]>; Mathew Negus <[REDACTED]>; Jitan Patel <[REDACTED]>; Zack Bunimovich <[REDACTED]>  
Cc: Alastair Mackinlay <[REDACTED]>; Martin Zeman <[REDACTED]>; Davide-A Sferrazza <[REDACTED]>; Mathew Negus <[REDACTED]>; Nina Tona <[REDACTED]>  
Subject: RE: SF [I]

Including Zack who will be the case manager on this.

From: Xavier Avila  
Sent: Monday, March 05, 2018 10:59 AM  
To: Rita Shteynberg <[REDACTED]>; Mathew Negus <[REDACTED]>; Jitan Patel <[REDACTED]>  
Cc: Alastair Mackinlay <[REDACTED]>; Martin Zeman <[REDACTED]>; Davide-A Sferrazza <[REDACTED]>; Mathew Negus <[REDACTED]>; Nina Tona <[REDACTED]>  
Subject: RE: SF [I]

Hi Rita/Mat, let us know what we need to extend SF to Credit Derivatives as the client is still live in one trade they want to execute.

Thanks

From: Rita Shteynberg  
Sent: Friday, March 02, 2018 12:41 PM  
To: Mathew Negus <[REDACTED]>; Nina Tona <[REDACTED]>; Jane Varley <[REDACTED]>; GM ACO <[REDACTED]>; Xavier Avila <[REDACTED]>; Iain Macara <[REDACTED]>; Jitan Patel <[REDACTED]>  
Cc: Alastair Mackinlay <[REDACTED]>; Martin Zeman <[REDACTED]>; Davide-A Sferrazza <[REDACTED]>; Aziz Anwar <[REDACTED]>; Tanushree Kirti <[REDACTED]>; Zack Bunimovich <[REDACTED]>  
Subject: RE: SF [I]

Thanks for the confirmation. We will proceed with the onboarding.

From: Mathew Negus  
Sent: Friday, March 02, 2018 12:34 PM

To: Nina Tona <[REDACTED]>; Jane Varley <[REDACTED]>; GM ACO <[REDACTED]>; Xavier Avila <[REDACTED]>; Iain Macara <[REDACTED]>; Rita Shteynberg <[REDACTED]>; Jitan Patel <[REDACTED]>  
Cc: Alastair Mackinlay <[REDACTED]>; Martin Zeman <[REDACTED]>; Davide-A Sferrazza <[REDACTED]>; Aziz Anwar <[REDACTED]>; Tanushree Kirti <[REDACTED]>  
Subject: RE: SF [I]

I'll take this one for Jitan.

As CIB green please proceed with the NCA process and the inherent KYC update.

Thank you

-----  
Mathew Negus  
Director | ICG Business Management | +1(212)250-6746 | [REDACTED] |

From: Nina Tona  
Sent: Friday, March 02, 2018 12:22 PM  
To: Jane Varley <[REDACTED]>; GM ACO <[REDACTED]>; Xavier Avila <[REDACTED]>; Iain Macara <[REDACTED]>; Rita Shteynberg <[REDACTED]>; Jitan Patel <[REDACTED]>; Mathew Negus <[REDACTED]>  
Cc: Alastair Mackinlay <[REDACTED]>; Martin Zeman <[REDACTED]>; Davide-A Sferrazza <[REDACTED]>; Aziz Anwar <[REDACTED]>; Tanushree Kirti <[REDACTED]>  
Subject: RE: SF [I]  
Importance: High

Classification: For internal use only

EFTA01401843

Jane – NCA is still in progress. Rita and her team are working on it. They stopped the NCA once they found out it was in red. Jitan will inform them now to complete the NCA.

@Jitan – Please inform Rita to continue with the NCA.

Thank you

Nina Tona

From: Jane Varley  
Sent: Friday, March 02, 2018 11:04 AM  
To: GM ACO <[REDACTED]>; Xavier Avila <[REDACTED]>; Iain Macara <[REDACTED]>; Rita Shteynberg <[REDACTED]>; Jitan Patel <[REDACTED]>; Mathew Negus <[REDACTED]>  
Cc: Nina Tona <[REDACTED]>; Alastair Mackinlay <[REDACTED]>; Martin Zeman <[REDACTED]>; Davide-A Sferrazza <[REDACTED]>; Aziz Anwar <[REDACTED]>; Tanushree Kirti <[REDACTED]>  
Subject: RE: SF [I]

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+Aziz and Tanu

Hi Monika,

This was a WM US retain from the Offboarding Clearing House process, that currently reflects in the overall CIB file colour (not coverage colour). Hence green.

Nina – was NCA completed? We can't see it reflected in dbCAR (still appears delinquent) but I know that is part of the broader conversation that Julia is having with Paul Chapman.

Thanks

Jane

From: Monika Valantiejuite On Behalf Of GM ACO  
Sent: 02 March 2018 15:22  
To: Xavier Avila <[REDACTED]>; Iain Macara <[REDACTED]>;  
Rita Shteynberg <[REDACTED]>; Jitan Patel <[REDACTED]>;  
Mathew Negus <[REDACTED]>; Jane Varley <[REDACTED]>  
Cc: Nina Tona <[REDACTED]>; Alastair Mackinlay  
<[REDACTED]>; Martin Zeman <[REDACTED]>; Davide-A  
Sferrazza <[REDACTED]>  
Subject: RE: SF [I]

Classification: For internal use only

Hi Xavier

The GB adoption location is Red across all business but this is CIB Green for the US adoption location – as one of the businesses has asked to retain this. @Jane please confirm which business asked to retain?

In these instances, the GM products will not be offboarded if another business has asked to retain and the KYC/ACO responsibility sits with that business.

However, please also be aware that this is a High Risk client which is KYC deficient and was last reviewed in 2015.

Please let me know if any other questions.

Kind regards,

<image002.png>

Monika Valantiejute

GM Project Mercury

Deutsche Bank

Winchester House, 1 Great Winchester Street, London, EC2N 2DB

Tel. +44 (0) 2075410657

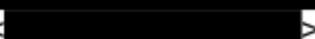
Email 

From: Xavier Avila

Sent: 02 March 2018 13:53

To: GM ACO < >; Iain Macara < >; Rita Shteynberg < >; Jitan Patel < >;

Mathew Negus < >

Cc: Nina Tona < >; Alastair Mackinlay

< >; Martin Zeman < >; Davide-A Sferrazza < >

Subject: RE: SF [I]

Thanks Monica, did we hear anything back? The client is asking questions and we have no clear answers or timeframe to give him. Thanks

Xavier Avila  
Managing Director  
Deutsche Bank Securities  
[REDACTED]

Office: +1 212 4542892

Mobile: [REDACTED]

From: GM ACO <[REDACTED]>

Date: Thursday, Mar 01, 2018, 15:09

To: Xavier Avila <[REDACTED]>, Iain Macara <[REDACTED]>, Rita Shteynberg <[REDACTED]>, Jitan Patel <[REDACTED]>, Mathew Negus <[REDACTED]>, GM ACO <[REDACTED]>

Cc: Nina Tona <[REDACTED]>, Alastair Mackinlay <[REDACTED]>, Martin Zeman <[REDACTED]>, Davide-A Sferrazza <[REDACTED]>

Subject: RE: SF [I]

Classification: For internal use only

Hi Xavier

I've reached out to Central Mercury to find out the CIB colour - I will update as soon as I hear back.

Kind regards,

<image002.png>

Monika Valantiejute

GM Project Mercury

Deutsche Bank

Winchester House, 1 Great Winchester Street, London, EC2N 2DB

Tel. +44 (0) 2075410657

Email [REDACTED]

From: Xavier Avila

Sent: 01 March 2018 19:25

To: Iain Macara <[REDACTED]>; Rita Shteynberg

<[REDACTED]>; Jitan Patel <[REDACTED]>; Mathew Negus

<[REDACTED]>; GM ACO <[REDACTED]>

Cc: Nina Tona <[REDACTED]>; Alastair Mackinlay

<[REDACTED]>; Martin Zeman <[REDACTED]>; Davide-A

Sferrazza <[REDACTED]>

Subject: RE: SF [I]

GM ACO, can you pls let us know what the issue is?

We have a client trying to execute a transaction.

Thanks

From: Iain Macara  
Sent: Thursday, March 01, 2018 11:48 AM  
To: Xavier Avila <[REDACTED]>; Rita Shteynberg  
<[REDACTED]>; Jitan Patel <[REDACTED]>; Mathew Negus  
<[REDACTED]>; GM ACO <[REDACTED]>  
Cc: Nina Tona <[REDACTED]>; Alastair Mackinlay  
<[REDACTED]>; Martin Zeman <[REDACTED]>; Davide-A  
Sferrazza <[REDACTED]>  
Subject: RE: SF [I]

Gm ACO – can you liaise with central merc and establish the CIB colour on the rhp below?

thx

From: Xavier Avila  
Sent: 01 March 2018 16:08  
To: Iain Macara <[REDACTED]>; Rita Shteynberg  
<[REDACTED]>; Jitan Patel <[REDACTED]>; Mathew Negus  
<[REDACTED]>  
Cc: Nina Tona <[REDACTED]>; Alastair Mackinlay  
<[REDACTED]>; Martin Zeman <[REDACTED]>; Davide-A  
Sferrazza <[REDACTED]>  
Subject: SF

Ian, thanks for the call.

So Rita who is the Case Manager seems to suggest that she sees Southern Financial Red and therefore we cannot extend it to Credit Derivatives, while we think we should see this Green from a KCP perspective.

Bu you explain to me that the Red might be only when it comes to your ICG world.

Can you pls clarify if this client is Red for everyone including KCP and if so how do we turn it Green, as discussed this is an example of a KCP

Americas account that is AC0ed by us, in this case myself.

Thanks

Xavi

From: Nina Tona  
Sent: Thursday, March 01, 2018 11:00 AM  
To: Xavier Avila <[REDACTED]>  
Subject: SF

<image003.png>

Kind regards,

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<image004.gif>

Nina Tona

Associate

Business Control Manager, Key Client Partners – Americas

Deutsche Bank Wealth Management

5022 Gate Parkway

Jacksonville, Florida 32256

Tel. +1(904)271-3445

Email [REDACTED]

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