

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

From: Martin Zeman [REDACTED]

Date: Thu, 15 Mar 2018 13:08:23 -0400

To: [REDACTED]

Cc: [REDACTED]

Classification: Confidential

Zack – thanks, please keep the foot on the pedal.

Also, adding Nina Tona who I forgot to include on last email.

From: Zack Bunimovich

Sent: Thursday, March 15, 2018 12:29 PM

Classification: Confidential

Classification: Confidential

Hi Martin,

I'm verifying with the KYC team that the provided documents and the information below fulfills all of the requirements. We have this account set as one of the highest priorities in our pipeline, so operational setups will be focused on as soon as this piece is settled.

Thanks,

Zack

From: Martin Zeman

Sent: Wednesday, March 14, 2018 5:09 PM



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

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. 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.

Client Contact:

Richard Kahn

[REDACTED]

[REDACTED]

Formation Document:

Attached LLC Documents include the Articles of Organization,

Thanks,
Martin

From: Nina Tona
Sent: Tuesday, March 13, 2018 11:41 AM

[REDACTED]

Subject: RE: SF [I] [C]

Classification: Confidential

EFTA01402033

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)
- 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

- 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



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 Incorporation, etc)
- Nature of Business Doc

Thanks,

Zack

From: Martin Zeman

Sent: Monday, March 12, 2018 10:19 AM

[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

[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

[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:

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Zack,

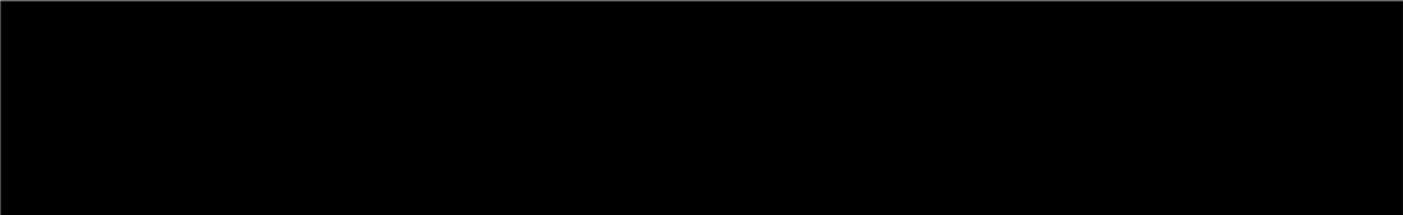
Please go ahead and set them up for credit derivatives as well as convertible bonds. The credit derivatives is a priority and rather urgent. Client is ready to trade.

EFTA01402038

Thanks

Martin

From: Nina Tona
Sent: Monday, March 05, 2018 3:07 PM



Subject: RE: SF [I]

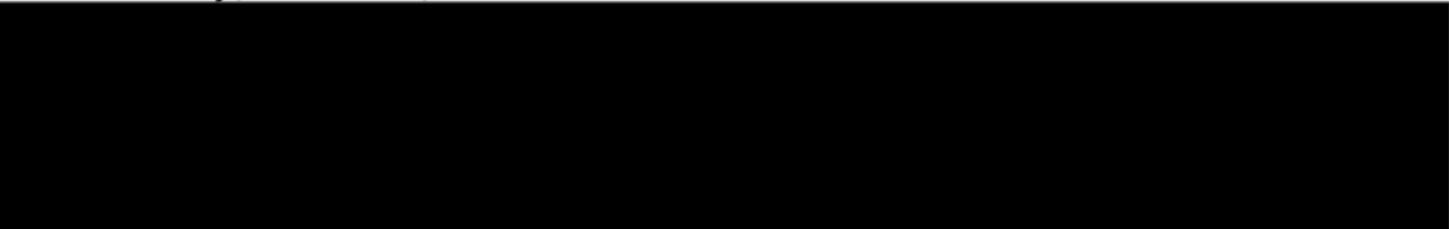
Classification: For internal use only

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



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

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

[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

[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

[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

[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 |

[REDACTED]

From: Nina Tona
Sent: Friday, March 02, 2018 12:22 PM
To: Jane Varley [REDACTED];

[REDACTED] Xavier Avila



Subject: RE: SF [I]
Importance: High

Classification: For internal use only

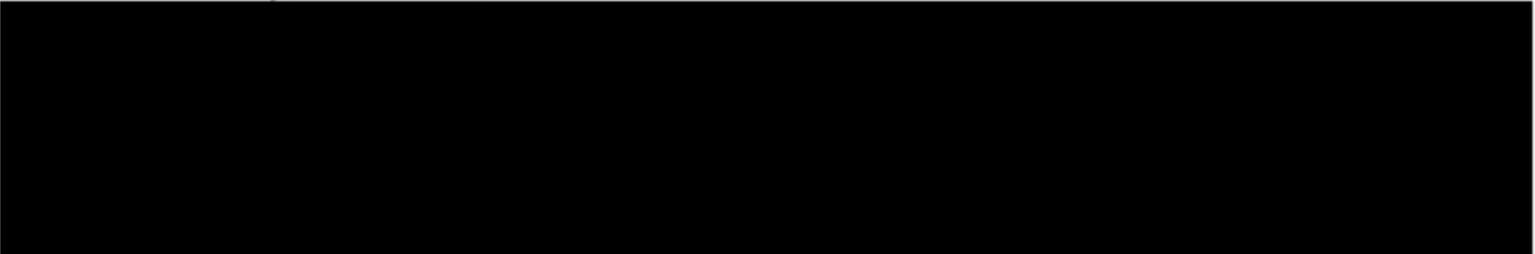
Jane – NCA is still in progress. Rita and her team are working on it. They stopped the NCA once they found out it was in red. Jitan will inform them now to complete the NCA.

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

Thank you

Nina Tona

From: Jane Varley
Sent: Friday, March 02, 2018 11:04 AM



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



Subject: RE: SF [I]

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Hi Xavier

The GB adoption location is Red across all business but this is CIB Green

EFTA01402044

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/AC0 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

Email [REDACTED]

From: Xavier Avila
Sent: 02 March 2018 13:53

[REDACTED]

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]

From: GM ACO [REDACTED]

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

[REDACTED]

[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>

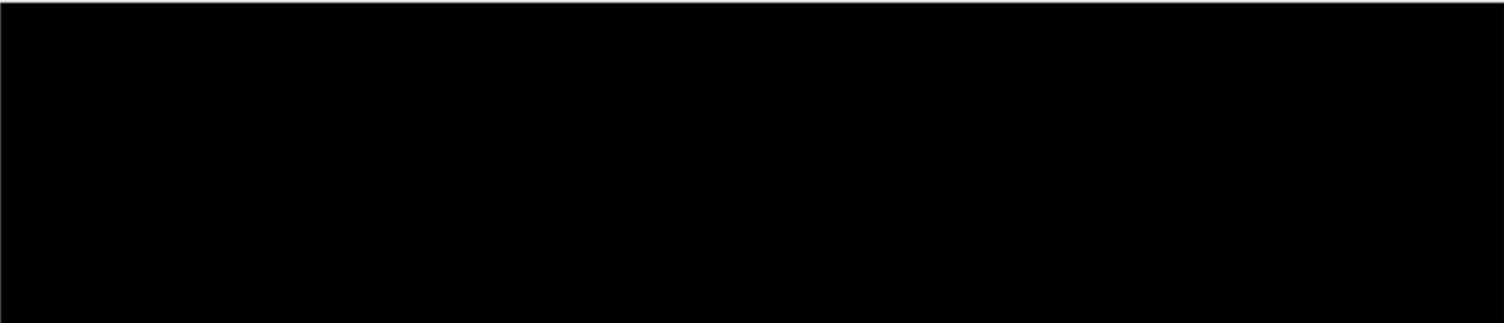
Monika Valantiejute

GM Project Mercury

Deutsche Bank

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

Email 


Subject: RE: SF [I]

EFTA01402047

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

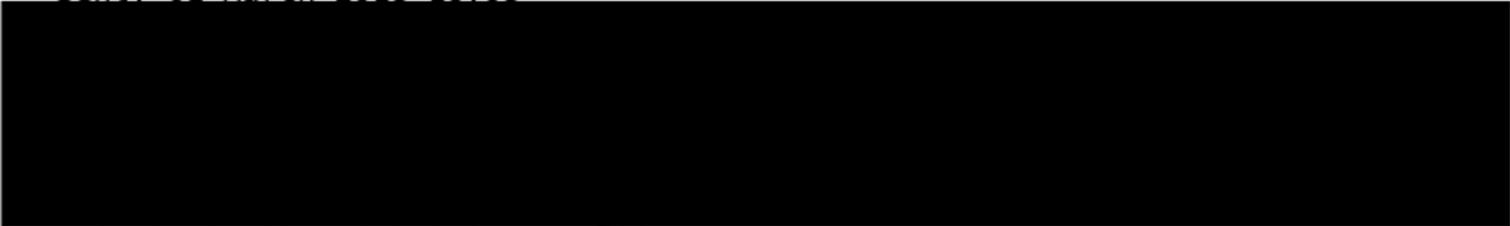


Gm ACO – can you liaise with central merc and establish the CIB colour on the rhp below?

thx

From: Xavier Avila

Sent: 01 March 2018 16:08



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.

But 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 ACOed by us, in this case myself.

Thanks

Xavi

From: Nina Tona
Sent: Thursday, March 01, 2018 11:00 AM
To: Xavier Avila <xavier.avila@db.com>
Subject: SF

<image003.png>

Kind regards,

<image004.gif>

Nina Tona

Associate

Business Control Manager, Key Client Partners – Americas

Deutsche Bank Wealth Management

5022 Gate Parkway

Jacksonville, Florida 32256

Tel. [REDACTED]

Email [REDACTED]

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