

Ticket#	105258603	Account#	Initiated Date	07/13/2013 07:22 AM
Client Name	HBRK ASSOCIATES INC	Account Title	Initiator	JUSTIN D NELSON
ECI		Account Type	Initiating Team	PB FRONT OFFICE
LOB	PB			

Verify & Confirm for HBRK ASSOCIATES INC	
Final Risk Rating	High
Initial Risk Rating	Standard
GCS Report Requested	Full
Presence of Potential High Risk Indicators	Yes
Reason for Adjustment	Reputational - Convicted Felon
Comments	
Summary of Risk Attributes	Jeffrey Epstein was convicted of a felony charge in 2008. Jes Staley conferred with Stephen Cutler and the decision was made to keep Mr. Epstein as a PB client. Mr. Epstein completed his sentence and probation in 2010.
Please summarize any material changes which have occurred with the client within the past 12 months:	<p>Jeffrey Epstein is an existing client of PB. He is an active brokerage client across asset classes currently covered by the Firm's GIO desk. Jeffrey Epstein has been an investment advisor for numerous high net worth clients and also a personal investor. Jeffrey is very accessible and well known to the team. We have advised him on investments as well as estate planning opportunities. Jeffrey has continued to be well connected across business channels.</p> <p>Epstein is well known to several JPM PB employees and senior management including Jes Staley. Also, Mr. Epstein was convicted of a felony charge in 2008. Jes Staley conferred with Stephen Cutler and the decision was made to keep Mr. Epstein as a PB client. Mr. Epstein completed his sentence and probation in 2010. The relationship has been reviewed with senior management and compliance/legal on a few occasions over the past year as news stories of Jeffrey's past are picked up. No new claims or stories have surfaced recently.</p>

Risk Updated History				
Creation Date	Entered by	Updated Risk	Previous Risk	Comment

GCS Grid		
Search Type	Security Service Details	Further Review Required
Company Information	Information confirmed; details included in the attachment.	No
Corporate Records	Information confirmed; details included in the attachment.	No
Other Database Searches (RDC/MIS/Factiva)	No records were found.	No
Internal Database Search (CSSS/FPS)	Internal database search revealed prior GS&I research for Harry Beller and nothing derogatory to report.	No
State Court Searches	No records were found.	No
Federal Court Searches	No records were found.	No
Personal Particulars	Information confirmed; details included in the attachment.	No
Publications	Publications revealed nothing derogatory.	No
Regulatory Sanctions	No records were found.	No
OFAC/Control List Search	A search of OFAC did not reveal any matches.	No
Negative or Inconsistent Information		No

GCS Red Dot	
Has this been identified as Red Dot KYC?	No
Negative Information Found	No

Banker Attestation Details	
As the client sponsor, I understand that I am primarily responsible for protecting the firm's reputation from inappropriate business relationships, as well as from fraud and money laundering. By approving this KYC, I am sponsoring this client as to their character and reputation and from a legal/regulatory standpoint.	Yes
Please state your rationale for conducting business with this client	We are exiting HBRK and the Epstein relationship.
Comments	