

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

From: Nina Tona <[REDACTED]>

Date: Wed, 16 May 2018 10:59:10 -0400

To: Simon Nall <[REDACTED]> ,

James Gladwin <[REDACTED]> ,

Martin Zeman <[REDACTED]> ,

Kareen Johnson <[REDACTED]>

Cc: Daniel-A Klyashtorny <[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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Kareen – can you please advise where we stand with this client?

Thank you

Nina Tona

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From: Simon Nall

Sent: Wednesday, May 16, 2018 10:26 AM

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

{logo}

Deutsche Bank

Email [REDACTED]

From: James Gladwin
Sent: 16 May 2018 15:19
To: 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]>; 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

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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,

{logo}

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,

{logo}

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: 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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LLC [I]

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Hello all,

Do we have BRG approval for this?

This appears to be a cross-jurisdictional adoption from DBSI to ■ 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,

{logo}

James Gladwin

AFC Business Advisory

Anti-Financial Crime

DBOI Global Services (UK) Limited

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

Email: [REDACTED]

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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

EFTA01400118

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

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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!

{logo}

James Gladwin

AFC Business Advisory

Anti-Financial Crime

DBOI Global Services (UK) Limited

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

Email: [REDACTED]

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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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LLC [I]

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James/Helen,

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

Thanks,

Jesse

From: Zack Bunimovich

EFTA01400121

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]>

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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,

{cid:image002.png@01D17DF5.9DBBDFD0}

Jesse Jay Cruz

Analyst

Deutsche Bank Securities Inc.

Client Data Services | DBUSA Core Corp.

5201 Gate Parkway, 32256 Jacksonville, USA

Tel: [REDACTED]

Email: [REDACTED]