LLM Bank New York Branch ("LLM NY") is a wholesale branch of LLM Bank Ltd. ("LLM"), a commercial bank located in mainland China. LLM NY is filing this Suspicious Activity Report ("SAR") (Internal SAR Reference Number 2025-0002) to report 7 transaction(s) totaling $763,228.00 and sent between 09/02/2024 and 09/23/2024.

\*\*Transaction Summary\*\*

Between September 2, 2024, and September 10, 2024, RDF Plumbing (Account ID: ACC-2) received three incoming wires: $254,409.33 from US Processing (US), $254,409.33 from Cos Cob Fishery (US), and $254,409.33 from HK Industries (Hong Kong). On September 10, 2024, RDF Plumbing received an ACH credit of $179,000.00 from JD Import and Export (UK). On September 14, 2024, an internal transfer of $2,286,712.80 was initiated from ACC-2 to ACC-3, a related account. On September 15, 2024, a wire transfer of $2,400,000.00 was sent from ACC-3 to IRS Legal Services (China). On September 23, 2024, ACC-2 received a wire of $1,598,564.00 from Palmetto Translation Services (China).

\*\*Customer Profile (KYC) and Relationship Analysis\*\*

RDF Plumbing (Customer ID: C-2) is a US-based plumbing services business with expected transactional activity limited to US geographies. KYC records indicate no legitimate business connections to China, Hong Kong, the UK, or entities such as HK Industries, JD Import and Export, IRS Legal Services, or Palmetto Translation Services. The customer’s KYC profile lacks documentation justifying international transactions, particularly with high-risk jurisdictions. Expected monthly activity was $200,000 for both incoming and outgoing transactions, but observed activity significantly exceeds this threshold.

\*\*Suspicious Activity Reasons\*\*

These transactions are being reported due to the following:

1. \*\*No apparent economic or business purpose\*\*: RDF Plumbing, a domestic plumbing business, lacks a documented rationale for receiving funds from unrelated international entities in Hong Kong, the UK, and China, or for transferring funds to Chinese legal services.

2. \*\*Possible shell company or funnel activity\*\*: Rapid movement of funds through related accounts (ACC-2 to ACC-3) followed by large outgoing transfers to China suggests layering.

3. \*\*Unusual transaction patterns\*\*: Near-identical wire amounts ($254,409.33) from three unrelated entities within an eight-day period, followed by round-dollar ACH credits and large outgoing transfers, deviate from expected plumbing services activity.

4. \*\*High-risk jurisdiction involvement\*\*: Transactions linked to Hong Kong and China, jurisdictions with elevated AML risks, contradict KYC expectations of US-only activity.

5. \*\*Lack of identifiable relationship between entities\*\*: No legitimate business ties exist between RDF Plumbing and foreign counterparties, including IRS Legal Services and Palmetto Translation Services.

6. \*\*Round-dollar amounts\*\*: The $179,000.00 ACH credit and $2,400,000.00 wire to China are inconsistent with typical plumbing service invoicing.

\*\*Closing Statement\*\*

This SAR pertains to LLM NY Case No. 2025-0002. For inquiries, please contact Donald J. Orange, Chief Compliance Officer and Chief BSA/AML Officer (646-555-5555 or donaldjorange@llmbank.com) or Alyn Mask, General Counsel (646-666-6666 or alynmask@llmbank.com). All supporting documentation is maintained by the Financial Crime Compliance Department at LLM NY.