

Appendix 9.3 – Process B transactions

eBridge Buffer account

There was one Process B payment of \$300,000 to the IB Platform master account from the eBridge Buffer account ending 0256. We investigated this payment in further detail.

A deposit of \$300,000 appears to have been made to the IB Platform master account from the eBridge Buffer account ending 0256 on 14 March 2013. This increased the AUD cash balance on the BBYL IB Platform master account to \$535,715.27. For the period 14 March 2013 to 1 April 2013 (prior to the next transfer to the IB Platform on 2 April 2013), \$451,057 was distributed via 47 internal transfers to IB client sub-accounts. These transactions are illustrated below:



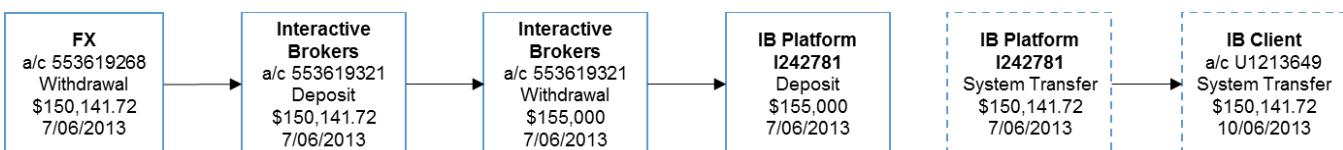
We identified relevant email correspondence through forensic searches (refer to **Exhibit 9.14**). Our review of the email correspondence and the IB Platform data indicates the following:

- on 13 March 2013, a request was made by a BBYL broker for a transfer of \$300,000 from the client's Saxo account (number 70003763) to the client's IB account (number U1093640), being the same client trading on both the Saxo and IB platforms;
- as BBYL generally kept a buffer of about \$200,000 on the IB Platform, the amount of \$300,000 was not able to be allocated to the client's IB sub-account on 13 March 2013 without transferring funds received from the client or topping up the master account balance;
- on 13 March 2013, an internal system transfer of \$100,000 was made from the BBYL IB Platform master account to the client's IB Platform sub-account;
- on 14 March 2013, a deposit of \$300,000 was made to the IB Platform master account from the eBridge Buffer account ending 0256; and
- on 14 March 2013, a second internal transfer was made to the IB client sub-account U1093640 of \$200,000, being the balance of the client's \$300,000 payment request.

It therefore appears that the \$300,000 deposit from the eBridge Buffer account (AC 176820256) was made in order to fund the client's IB Platform account as requested by the Saxo/IB client. Although this transaction has been classified as a Process B payment (because only a portion of the \$300,000 receipt on 14 March 2013 was allocated to the client), it is akin to a Process A transaction.

FX Trust AUD account/IB Buffer account

As noted in the table in section 9.4.3, there was a payment of \$155,000 partially funded from the FX Trust AUD account ending 268 and the IB Buffer account ending 321 that appears to have been a buffer payment to the IB Platform. Refer below of an illustration of the transaction:



A transfer of \$150,141.72 was made from the FX Trust AUD account ending 268 to the IB Buffer account on 7 June 2013. On the same day, this amount appears to have been deposited to the IB Platform as part of a larger deposit totalling \$155,000. An internal system transfer of \$150,141.72 was then made to IB client sub-account U1213649 from the BBYL IB Platform master account on 10 June 2013. Refer to **Exhibit 9.15** for a copy of the BBYL IB Platform master account activity statement evidencing the receipt of that payment and **Exhibit 9.16** for the sub-account activity statement evidencing allocation to the IB client's sub-account.

We note based on the analysis performed that the source was:

1. FX Trust AUD account ending 268: \$150,141.72
2. IB Buffer account ending 321: \$4,858.28

We have been unable to identify a deposit of \$150,141.72 to the FX Trust AUD account ending 268 by the client, however it is possible that a corresponding amount in foreign currency was deposited into one of the foreign currency FX CSAs and converted to AUD as part of a bulk conversion.

We have conducted searches of the BBYL bank statement data for the client name and account number. No results were returned across any BBYL accounts. We also searched for relevant email correspondence using the client's IB account number and the value of the transfer. No relevant results were returned. We have confirmed that this client held multiple accounts with BBYL, which are listed below:

- Saxo (account number 61600240);
- Equity/ETO (account number 3100022); and
- Interactive Brokers (account number U1213649).