

S. ADELSBERG & CO.
CERTIFIED PUBLIC ACCOUNTANTS
280 NORTHERN BOULEVARD
GREAT NECK, NY 11021

STEVEN ADELSBERG, CPA
IRWIN K. ADELSBERG, CPA
JEREMY E. KIRSCHNER, CPA

(516) 504-1313
Fax (516) 504-1323
e-mail: cpas@adelsberg.com

SAMUELS.ADELSBERG
(1920-1985)

To: Richard Whitbey Director , Dov Tannenbaum , Manager, Alex
Yarrow , Compliance Officer, Senior Management
From: Tester and Reviewer of Leo Schachter Diamonds, LLC AML Programs
Date: 1 June 2026
Re: Report of Periodic Testing

This document has been prepared in compliance with Section 352 of the USA PATRIOT Act and 31 C.F.R. 103.140 (c) (4). This document evidences a review of Leo Schachter (New York) Inc AML Program and Policy. The purpose of the review is to ensure that the AML Program and Policy is functioning as designed.

This review covers the period starting on **Jan 1, 2026** and ending on **May 31, 2026**

The review was conducted by S. Adelsberg and Company (hereinafter, "reviewer.") Reviewer is not and does not act as the Compliance Officer of Leo Schachter (New York) Inc Reviewer is knowledgeable in the requirements of Section 352 of the USA PATRIOT Act, the Bank Secrecy Act and any rules implementing said laws applicable to Leo Schachter (New York) Inc

Report of Testing and Review

A. Compliance Officer

Leo Schachter (New York) has assigned Alex Yarrow , as the Compliance Officer (CO) for the company. That assignment is current. Alex Yarrow is knowledgeable in the requirements of Section 352 of the USA PATRIOT Act, the rules prescribing minimum standards applicable to dealers *in* precious metals, stones, jewels and other covered goods and all laws applicable pursuant to the Bank Secrecy Act. The CO is maintaining all relevant records in connection with USA PATRIOT Act AML compliance.

B. Risk Assessment

Leo Schachter (New York) Inc Risk Assessment has been reviewed and has been found to be current and updated. The Risk Assessment addresses those functions and activities covered by the AML Program and those where risks for use of the business to facilitate money laundering or the financing of terrorist activities.

C. AML Program and Policy

Leo Schachter (New York) Inc AML Program and Policy (**LS NY AML**) is in written form and has been reviewed. It adequately addresses all areas of risk identified in the risk assessment document. It covers all relevant purchases and sales covered by the **LS NY AML** program. It was written in February 2011 and was updated on September 29, 2014, August 23, 2017 and most recently December 2022. The policy addresses identification of customers and business partners, monitoring business transactions and chains of distribution, compliance with Bank Secrecy Act requirements (cash transaction reporting procedures), reporting of red flags to the CO, sharing information and responding to requests and inquiries from Treasury or other governmental authorities. All reports and inquiries are recorded and the records maintained by the CO. Leo Schachter (New York) Inc implementation of the AML program and Policy is ongoing. Identification information from customers and suppliers is current or in the process of being updated for older customers. This information has been reviewed for internal consistency and completeness. Transaction monitoring is in place, with any suspicious transactions (including payment to or from third parties) have been investigated, and the results of the investigation recorded. Government-sponsored watch lists have been periodically checked.

D. Employee Training

Leo Schachter (New York) Inc has trained all appropriate employees in compliance with the AML Program and Policy during the period covered in this report. Any new employees have been trained. This training took place during the period of December 1, 2023 – January 31, 2024 and the CO maintains records of employees trained.

Signed



—
S. Adelsberg & CO

Date 1 June 2026