
From: Stewart Oldfield [REDACTED]
Sent: 1/27/2015 2:30:25 PM
To: Paul Morris [REDACTED]
Subject: RE: Trade Recap - 01/27/2015 - Long TWTR on 1y TRS, Short TWTR 1y calls [C]

Classification: **Confidential**

Thanks. I must have upset Daniel at some point in time. TWTR is down 2.5% today, but well off of its lows. The rest of the market is about the same

From: Paul Morris
Sent: Tuesday, January 27, 2015 2:26 PM
To: Stewart Oldfield
Subject: Fw: Trade Recap - 01/27/2015 - Long TWTR on 1y TRS, Short TWTR 1y calls [C]

Classification: Confidential

From: Daniel Sabba
Sent: Tuesday, January 27, 2015 02:13 PM
To: jeffrey E. <jeevacation@gmail.com>
Cc: Vahe Stepanian; Paul Morris; Richard Kahn <[REDACTED]>
Subject: Trade Recap - 01/27/2015 - Long TWTR on 1y TRS, Short TWTR 1y calls [C]

Classification: **Confidential**

Jeffrey, per our phone conversation, Southern Financial LLC entered into the following transactions with Deutsche Bank AG, acting through its London branch. Southern Financial went long TWTR US through 1y TRS. Southern Financial went short TWTR US 1y European Calls struck at 100%. Initial strike on both transactions to be commercially reasonable VWAP until today's close. The Initial Margin on these transactions is 30% of Notional. Termsheet and official confirm to follow.

Total Return Swap:

Swap Seller: DB
Swap Buyer: Southern Financial LLC
Ticker: TWTR
Size: 100,000 shares
Expiry: 1/27/2016
Spread: 1mL+ 75bps
Resets: Monthly
Optional Early Termination: Applicable, 3 days (two-way)
Commissions: \$0.03 per share in and out
Initial Strike: commercially reasonable VWAP until today's close

European Call options on TWTR:

Option Seller: Southern Financial LLC
Option Buyer: DB
Notional: 100,000 OTC Call
Expiry: 1/27/2016
Strike: 100% of TRS Initial Strike
Bid: 18.69%

Regards,
Daniel