

Thanks Andrew. For the caveat - we received updated financials which were sent over to your team as of 3/31/16 (Q1) – will forward under separate cover. Per the agreed ISDA amendment (attached), the client has 10 business days from the end of the relevant calendar quarter to deliver updated financials. Let us know if the caveat still applies?

As of now the client has enough cash in house to meet the IA requirement – we can revisit if he wishes to post other assets.

Best,
Vahe

From: Andrew Xu
Sent: Tuesday, June 28, 2016 11:00 AM
To: Vahe Stepanian; Roddy Moore
Cc: Daniel Sabba; Keith Buckholz
Subject: RE: Southern Financial - IA Request [I]

Classification: **For internal use only**

Hi Vahe,

We can do 40% IM for this trade. Caveat, we need updated financials and brokerage statements. Additionally we need to discuss what type of collateral they are going to post. If non standard we should talk now, but if standard(cash, munis, treasuries) we have no issues.

Thank you.

Andrew Xu, CFA

From: Vahe Stepanian
Sent: Tuesday, June 28, 2016 8:24 AM
To: Roddy Moore; Andrew Xu
Cc: Daniel Sabba
Subject: RE: Southern Financial - IA Request [I]

Classification: **For internal use only**

Roddy / Andrew – please let us know.

Best,
Vahe

From: Vahe Stepanian
Sent: Monday, June 27, 2016 11:44 AM
To: Roddy Moore; Andrew Xu
Cc: Daniel Sabba
Subject: Southern Financial - IA Request [I]

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Roddy/Andrew – Southern Financial has indicated that they would like to enter into a TRS on the attached basket of preferreds. The total notional size would be \$20mm and assume 1y tenor.
What would be the required IA for the attached basket?

Thank you,