

Cc: Daniel Sabba <[REDACTED]>, Stewart Oldfield <[REDACTED]>  
Subject: RE: indication on WTI risk reversals [C]

Classification: **Confidential**

Hi Rich – following up on the below. To make sure we're on the same page, please confirm he would like to see pricing on WTI risk reversals with a 55 strike call and 45 strike put out to expiries listed below?

Thank you,  
Vahe

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**From:** Richard Kahn [mailto:[REDACTED]]  
**Sent:** Monday, June 06, 2016 5:10 PM  
**To:** Vahe Stepanian  
**Cc:** Daniel Sabba; Stewart Oldfield  
**Subject:** Re: indication on WTI risk reversals [C]

tomorrow morning can you price 45 / 55 WTI reversals  
i understand it may not be cashless however jeffrey would like to see that level of pricing  
thank you

Richard Kahn  
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cel [REDACTED]

On May 31, 2016, at 11:01 AM, Vahe Stepanian <[REDACTED]> wrote:

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Rich,

Please see below refreshed indications – these levels are not tradable. We did not refresh the \$50 strikes as they are well in the money now. Further, we heard back from our Credit Risk Management team and they would require 40% IA for the below transactions in cash or treasuries (i.e. approx. \$20mm on 1mm barrels of WTI).

Notional: 1mm barrels of WTI

**WTI futures references:**

CLU6 ref 50.75, option exp 17Aug16  
CLZ6 ref 51.65, option exp 16Nov16  
CLH7 ref 52.00, option exp 15Feb17

**Premium neutral risk reversals on WTI - Indications**

Southern financial buys calls and sells puts for zero net premium.  
These are listed look-alike structures to be executed through Southern Financial's ISDA.