

**From:** Nadean Novogratz [REDACTED]  
**Sent:** 9/18/2018 8:38:52 AM  
**To:** Martin Zeman [REDACTED]; Xavier Avila [REDACTED]; Davide-A Sferrazza [REDACTED]; Stewart Oldfield [REDACTED]  
**Subject:** FW: Follow-up  
**Attachments:** Options Execution Agreement (AUG15).pdf; Options Questionnaire (AUG15).pdf

FYI – I put a call into Paul this morning regarding the attached form – I haven’t heard back from him since 7/26 when he said he would get them complete. I left a voicemail. Have you heard anything from them since the end of July?

**From:** Nadean Novogratz  
**Sent:** Thursday, July 26, 2018 5:01 PM  
**To:** Paul Barrett  
**Cc:** Martin Zeman; Stewart Oldfield; Xavier Avila; Davide-A Sferrazza; Devin Anderson  
**Subject:** Follow-up

Hi Paul,

Great to meet you over the phone today and discuss our derivatives offerings / market color. As mentioned, Southern Financial is fully onboarded to trade OTC equity derivatives here. We’ve reviewed our docs for listed options and just need 2 simple forms completed (attached). They are pretty straight forward but we’re here to answer any questions on them that you have.

Per Devin’s comments on short-term upside, below are charts that compare SPY ATM vs 2% out of the money upside in the near-term experies. Vols are in the 8v range for the 2% OTM calls and as you can see for the next four weeks term structure is flat. We’ve continued to see the spot up / vol up correlation remain positive and if this theme continues, now is a good entry level into buying inexpensive vol.

**SPY ATM Calls:**

Tenor	SPY 284 Call vs. 283.30		Vol	Inter-Period Fwd Vol	Economic Events	Cumulative Earnings Reported (%)
	\$	%				
Friday, August 03, 2018	1.40	0.40%	9.5		ISM (both), ADP, NFP, FOMC Decision	61%
Friday, August 10, 2018	1.96	0.69%	9.2		8.9 PPI, CPI	66%
Friday, August 17, 2018	2.47	0.87%	9.2		9.3	70%
Friday, August 24, 2018	2.90	1.02%	9.2		9.1 FOMC mins (Aug)	72%
Friday, August 31, 2018	3.38	1.19%	9.5		10.4 PCE	74%
Friday, September 07, 2018	3.75	1.32%	9.6		10.5 ISM (both), ADP, NFP	75%

**SPY 2% Upside Calls:**

Tenor	SPY 288 Call vs. 283.30		Vol	Inter-Period Fwd Vol	Economic Events	Cumulative Earnings Reported (%)
	\$	%				
Friday, August 03, 2018	0.19	0.20%	8.3		ISM (both), ADP, NFP, FOMC Decision	61%
Friday, August 10, 2018	0.47	0.37%	8.1		8.4 PPI, CPI	66%
Friday, August 17, 2018	0.76	0.51%	8.0		8.4	70%
Friday, August 24, 2018	1.05	0.65%	8.0		8.7 FOMC mins (Aug)	72%
Friday, August 31, 2018	1.39	0.80%	8.2		9.6 PCE	74%
Friday, September 07, 2018	1.69	0.92%	8.4		10.1 ISM (both), ADP, NFP	75%

Kind regards,  
Nadean

Nadean Novogratz