

Subject: Re: TRS on AAPL - creating synthetic long exposure [C]
From: Daniel Sabba <[REDACTED]>
Date: Tue, 28 Oct 2014 21:31:57 -0400
To: Paul Morris <[REDACTED]>
Cc: Stewart Oldfield <[REDACTED]>

Classification: Confidential

Absolutely.

----- Original Message -----

From: Paul Morris
Sent: 10/28/2014 05:02 PM EDT
To: Daniel Sabba
Cc: Stewart Oldfield
Subject: Re: TRS on AAPL - creating synthetic long exposure [C]
Classification: Confidential

Try to get some feedback from him when u next speak re this trade, thx

----- Original Message -----

From: Daniel Sabba
Sent: 10/24/2014 12:18 PM EDT
To: jeevacation@gmail.com
Cc: Paul Morris; Vahe Stepanian; Stewart Oldfield;
[REDACTED]

Subject: TRS on AAPL - creating synthetic long exposure [C]
Classification: Confidential

Jeffrey,

Please see below indication for TRS in AAPL.

Notional: 1,000,000 shares of AAPL
Term: 1 year
Southern Financial receives: Total return in AAPL
Southern Financial pays: 1mL + 75bps
Commissions: 3 cents per share to enter and exit the trade. There is no additional break up fee.

Execution: We would suggest best efforts VWAP for execution

Color from trading desk: "this is probably the worst name for long total return - the street will generally be high".

Best regards,
Daniel

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Daniel Sabba
Director | Key Client Partners

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Please note all prices are indicative and subject to change without notice.

Derivatives are financial transactions based upon one or more predetermined market factors where periodic payments (or a one-time lump-sum payment) are made by each of the parties to the transaction based upon the value of the market factor or factors. The amount of the payment(s) will either be set at a fixed amount or fluctuate as the value of the underlying market factor fluctuates. The underlying market factors are items or variables which are subject to market fluctuations; for example, interest rates, currency exchange rates, assets, stock prices, stock index levels, commodities or a combination of one or more of these factors. Derivatives are normally used either as a hedging device or as an investment vehicle. Over-the-counter (OTC) derivative transactions involve numerous risks including, among others, market, counterparty default and illiquidity risk. In certain transactions, you could lose your entire investment or incur unlimited loss.

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