

Subject: Unofficial Trade Recap - European Call Option on Dispersion - 12/7/2015 [C]

From: Vahe Stepanian <[REDACTED]>

Date: Mon, 07 Dec 2015 13:56:04 -0500

To: Richard Kahn <[REDACTED]> ,

Darren Indyke <[REDACTED]>

Cc: Daniel Sabba <[REDACTED]> ,

Ariane Dwyer <[REDACTED]> ,

Paul Morris <[REDACTED]> ,

Stewart Oldfield <[REDACTED]>

Classification: Confidential

Rich – today Southern Financial unwound its dispersion call option at 0.60% (mid = 0.70%) per Ari's conversation with Darren.

Proceeds will be \$24,996, payable t+3 (12/10/2015) to Southern Financial.

Realized dispersion was 9.97%, using the following spot references:

Underlying

Spots

.HSCE

9,822.72

.N225

19,749.28

.SPX

2,086.14

.STOXX50E

3,379.00

EEM.P

33.59

Official unwind confirm to follow.

Please let us know if you have questions.

Thank you,

Vahe

From: Vahe Stepanian  
Sent: Monday, December 07, 2015 10:49 AM  
To: 'Richard Kahn'; Ariane Dwyer  
Cc: Daniel Sabba; Paul Morris; Stewart Oldfield; Darren Indyke  
Subject: RE: Dispersion Call Option [C]

Classification: Confidential

Rich – we have unwound the dispersion call option at 0.60% per Ari's conversation with Darren.

We will be back to you shortly with the trade report.

Thank you,

Vahe

From: Richard Kahn [mailto:████████████████████]  
Sent: Monday, December 07, 2015 10:20 AM  
To: Ariane Dwyer  
Cc: Daniel Sabba; Paul Morris; Stewart Oldfield; Vahe Stepanian; Darren Indyke  
Subject: Re: Dispersion Call Option [C]

ok

please execute trade at 0.60%

please call darren to confirm on his cell phone [REDACTED]

thank you

Richard Kahn  
HBRK Associates Inc.  
575 Lexington Avenue 4th Floor  
New York, NY 10022  
tel [REDACTED]  
fax [REDACTED]  
cell [REDACTED]

On Dec 7, 2015, at 9:36 AM, Ariane Dwyer <[REDACTED]> wrote:

Hi Rich, yes that is correct.

From: Richard Kahn [mailto:[REDACTED]]  
Sent: Monday, December 07, 2015 9:23 AM

To: Ariane Dwyer  
Cc: Daniel Sabba; Paul Morris; Stewart Oldfield; Vahe Stepanian  
Subject: Re: Dispersion Call Option [C]

please confirm bid of 0.60% converted to dollars is 24,996

thank you

Richard Kahn  
HBRK Associates Inc.  
575 Lexington Avenue 4th Floor  
New York, NY 10022  
tel [REDACTED]  
fax [REDACTED]  
cell [REDACTED]

On Dec 7, 2015, at 9:19 AM, Ariane Dwyer <[REDACTED]> wrote:

Good morning Rich,

Per your request please find below the details from the trader:

Underlying

Spots

.HSCE

9,822.72

.N225

19,749.28

.SPX

2,086.14

.STOXX50E

3,379.00

EEM.P

33.59

Realized dispersion: -9.97% (using above spot references)

Indicative bid: 0.60%

Best,

Ari

From: Vahe Stepanian

Sent: Monday, December 07, 2015 8:56 AM

To: Richard Kahn

Cc: Daniel Sabba; Ariane Dwyer; Paul Morris; Stewart Oldfield

Subject: RE: Dispersion Call Option [C]

Classification: Confidential

Good morning Rich - yes, I will request from traders and be back to you.

Thank you,

Vahe

From: Richard Kahn [mailto:████████████████████]  
Sent: Monday, December 07, 2015 8:52 AM  
To: Vahe Stepanian  
Cc: Daniel Sabba; Ariane Dwyer; Paul Morris; Stewart Oldfield  
Subject: Re: Dispersion Call Option [C]

Can you please have traders provide me with a bid I can present to mr Epstein. Thank you.

Sent from my iPhone

On Dec 4, 2015, at 1:56 PM, Vahe Stepanian <████████████████████> wrote:

Classification: Confidential

One more point worth mentioning – the realized dispersion when we spoke on Wednesday was ~9.95%.

This decline from 9.95% to 9.41% would also affect the indicative bid of the option.

From: Vahe Stepanian  
Sent: Friday, December 04, 2015 1:09 PM  
To: Richard Kahn  
Cc: Daniel Sabba; Ariane Dwyer; Paul Morris; Stewart Oldfield  
Subject: Dispersion Call Option [C]

Classification: Confidential

Rich - please note that Southern Financial did not unwind the dispersion option today as we were away from the 2.00% limit per my conversation with you and Darren.

The indicative bid is currently 0.90% since there is little time left to expiry and the time decay is significant.

Realized dispersion is ~9.41% given the following spot references:

Underlyings

Spots

.HSCE

9,886.39

.N225

19,628.76

.SPX

2,081.58

.STOXX50E

3,346.93

EEM.P

33.79

Thank you,

Vahe

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Vahe Stepanian

Assistant Vice President | Key Client Partners

Deutsche Bank Securities Inc.

Tel. + [REDACTED]

Mobile [REDACTED]

Email [REDACTED]

All trade execution information contained herein is being provided as an accommodation at your request in advance of your receipt of the official trade confirmation(s). Additional trade detail information available upon request. The terms of the trade(s) may be subject to change prior to settlement, and therefore the official trade confirmation(s) and account statements issued by Deutsche Bank shall govern. Deutsche Bank is not responsible for any discrepancy between the informal execution report and the official trade confirmation(s) or account statements.

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