Subject: does that work? should we add anything or take anything out? [I]
From: Daniel Sabba <[redacted]>
Date: Tue, 11 Nov 2014 09:57:33 -0500
To: Paul Morris <[redacted]>,
Stewart Oldfield <[redacted]>

Classification: For internal use only

Per our agreement, we liaised with the desk head in our institutional sales and trading platform for equity derivatives and confirmed the points we discussed yesterday:
- balance sheet charges are the primary driver of the price difference you observed between our quote and the one you received from competitors primarily funded in USD
- 1mL + 75bps for 1y TRS is the financing charge DB would charge a hedge fund or other institutional client today
- our trading heads were not surprised competitors primarily funded in USD were offering a financing spread 20 to 30bps lower than DB's
- the trading desk can sometimes offer improvements on names they are axed - i.e. when the desk has counterparties interested in taking the other side of the TRS. AAPL is not one of these names

We can still offer the following terms:

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

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