
From: Vahe Stepanian [REDACTED]
Sent: 3/26/2014 1:44:39 PM
To: jeevacation@gmail.com
CC: [REDACTED]; Paul Morris [REDACTED]; [REDACTED]
Subject: Re: Biotech Sell-Off.... [C]
Attachments: pic04223.gif; pic16267.gif; pic02814.gif; pic21074.gif; pic09470.gif; pic00501.gif; pic16207.gif; pic20724.gif; pic11162.gif; pic26326.gif; pic09672.gif; pic24695.gif; pic11657.gif; pic25569.gif

Classification: Confidential

Jeffrey - following up about your biotech holdings with an updated chart - current price a/o ~1:40pm EST today.

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Please let us know how to proceed. Depending on your view, will look into unwinding, hedging, or adding to your exposure.

Thank you,
Vahe

From: Jeffrey Epstein <jeevacation@gmail.com>
To: Tazia Smith/[REDACTED]
Date: 03/25/2014 09:42 AM
Subject: Re: Biotech Sell-Off.... [I]

remind me tomorrow remind

On Tue, Mar 25, 2014 at 7:30 AM, Tazia Smith <[REDACTED]> wrote:
Classification: For internal use only

Jeffrey -

Biotech posted sharp declines. You are up \$970,282 across your basket of names as of yesterday's (3/24) close (detail below along with chart of Nasdaq Biotech Index and your holdings). Consider unwinding or hedging now and watching for entry point via total return swap or zero cost risk reversal as this negative momentum bottoms out. Note: Ariad an outlier (incrementally positive news on drug, Iclusig).

The Financial Times features an article this morning suggesting that the sell-off in Biotech is a signal of a broader market peak.

A letter from congressional representatives to Gilead questioning its plans to sell a hepatitis C drug (named Sovaldi) for \$84,000 per dose has put the spotlight on Congress' concerns that the expense might saddle state Medicaid programs with steep costs. US is the only major health-care market remaining without any meaningful drug price controls -- increased risk for the sector once the Congress gets involved, especially if focused primarily on pricing.

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Nasdaq Biotech Index - 1yr Price History
(Embedded image moved to file: pic02814.gif)

Ariad - 1yr Price History