Subject: Re: First BRL note valuation date 3/20, poised to settle beyond barrier (down ~20%) [C]
From: Tazia Smith <[redacted]>
Date: Mon, 17 Mar 2014 21:52:11 -0400
To: Paul Morris <[redacted]>,
    Tazia Smith <[redacted]>

Classification: Confidential

1yr ago

The risk reward was such it made sense to hold. if brl recouped (or just bounced!) 3-10pct over the time they were here at DB, he could get back 100c on the dollar vs 75-80c (20-25c loss/'sunk cost'); on otherwords, there was <10pct likely downside and >20pct potential upside from levels where the notes were from where we got them. We discussed few times w him, and w Vinit/-Nav. Not just me. Outcome should not be a surprise.

--

Tazia Smith
Director
Key Client Partners - US

Deutsche Bank Securities, Inc.
Deutsche Asset & Wealth Management
[redacted] Floor
[redacted]
E-mail: [redacted]

  From: Paul Morris
  Sent: 03/17/2014 09:24 PM EDT
  To: Tazia Smith/db/dbcom@DBAMERICAS@DBAMERICAS@DBCOEX
  Subject: Re: First BRL note valuation date 3/20, poised to settle beyond barrier (down ~20%) [C]

Classification: Confidential

When did jp put this one on? And I guess there is no way to get out of them, thx

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  From: Tazia Smith
  Sent: 03/17/2014 08:51 PM EDT
  To: "jeffrey epstein" <jeevacation@gmail.com>
  Cc: Paul Morris
  Subject: Re: First BRL note valuation date 3/20, poised to settle beyond barrier (down ~20%) [C]

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Mark-to-market on the note was $799k (down $201k) intrinsic value is $802k (down $198k), subject to moves in BRL for the next 3 days.

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Tazia Smith
Director
Key Client Partners - US

Deutsche Bank Securities, Inc.
Deutsche Asset & Wealth Management
[redacted]h Floor
[redacted]2
[redacted]
E-mail: [redacted]

  From: Jeffrey Epstein [jeevacation@gmail.com]
  Sent: 03/17/2014 06:02 PM CST
  To: Tazia Smith
  Subject: Re: First BRL note valuation date 3/20, poised to settle beyond barrier (down ~20%) [C]

is there a number ???

On Mon, Mar 17, 2014 at 1:44 PM, Tazia Smith <[redacted]> wrote:
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Jeffrey -

First BRL note's valuation date is this Thursday, 3/20 (settles 3/27); presently down 19.8%, intrinsic. Your original investment was $1mm notional.

Initial strike:	1.9619
15% european barrier:	2.2562
Current USDBRL spot:	2.3505

Your second note has a final valuation of 4/14. Initial strike 2.0035, european barrier =2.3040.

Recall that the payout on these was as follows:

a) make 28.5% if BRL is up more than 3% vs. USD at maturity, b) make 5% if BRL is up between 0-3% vs USD, c) get your principal down less than 15% vs. USD, d) loose 1 for 1 if BRL is down more than 15% vs USD at maturity (max loss 100%)

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Tazia Smith
Director | Key Client Partners - US

Deutsche Bank Securities Inc
Deutsche Asset & Wealth Management
[redacted]
Email [redacted]

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