

From: "Barrett, Paul S" <[REDACTED]>
To: "Barrett, Paul S" <[REDACTED]>, Jeffrey Epstein <jeevacation@gmail.com>
CC: "Giuffrida, David J" <[REDACTED]>
Subject: RE: To do - NEW HY RMBS BOND - \$2.345mm of WFMB 04-J B1 @ 70-16 (9.44% yield / 5.92 mod durn)
Date: Tue, 03 Apr 2012 18:08:15 +0000

Jeffrey – bond traded away. Will look for other bonds.

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 320 Park Avenue, 14th Floor, New York, NY 10022
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 NMLS ID# 853441
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From: Barrett, Paul S
Sent: Tuesday, April 03, 2012 12:02 PM
To: 'Jeffrey Epstein'
Cc: Giuffrida, David J
Subject: To do - NEW HY RMBS BOND - \$2.345mm of WFMB 04-J B1 @ 70-16 (9.44% yield / 5.92 mod durn)

Jeffrey

We should buy this bond. Spending \$840K. Base case yield of 9.44%.

Ideally we should get to \$5-7MM of RMBS bonds. So far we have spent around \$1MM.

Paul

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From: Lynn, Kevin X
Sent: Tuesday, April 03, 2012 10:35 AM
Subject: NEW HY RMBS BOND - \$2.345mm of WFMB 04-J B1 @ 70-16 (9.44% yield / 5.92 mod durn)

WFMB 04-J B1 is a subordinate bond off seasoned jumbo prime 7/1 mortgages. The bond is rated "A-/Ba2*-" and is backed by 94 months seasoned prime borrowers and offers close to 9.44% yield for a 9.74 WAL, 5.92 duration.

Why we like this bond:

- Clean, seasoned collateral: The mortgages backing this bond are 95-months seasoned, \$432k avg balance loans of which 92% of the borrowers have not missed a payment in 2 years.
- Low LTV: Updated LTV = 65%
- Stable Yield Profile across most scenarios
- In our stress case scenario, we are liquidating 12% of the mortgages, over 2x the current 60+ number of 5.43%. This is certainly conservative considering 92% of the borrowers have not missed a payment in the past 2 years and are seasoned 94 months.

This bond is for any client who wants to pick up significant amount of yield and while having a relatively safe credit.

WFMB 2004-J B1 Offered @ 70-16

BOND DESCRIPTION	
Cusip:	849813AC3
Original Face:	2,345,000
Current Face:	1,215,809
Bond Type:	post reset 7/1 Prime Sub
Ratings (S&P/Moodys/Fitch):	A-/Ba2*-/
Current Coupon:	2.766%
Yield @ Base Case	9.444%
WAL @ Base Case	9.74
Principal Window @ Base Case	May12 to Jun34
Writedown %	9.21%
Current Credit Enhancement:	3.36%
60+ Delinquencies	5.43
60+ Delinquency Coverage	0.62x
UNDERLYING COLLATERAL DESCRIPTION	
Average Loan Balance (\$,000s)	432

	10 ramp 36 8 CPR	12 ramp 48 8 CPR	14 ramp 48 10 CPR
Prepay Rate			
Default Rate	2 ramp 24 4 1.5 CDR	1.5 ramp 24 4 2 ramp 12 1 CDR	1.5 ramp 24 3 1.5 ramp 12 1 CDR
Default Severity	35	35 ramp 36 30	35 ramp 24 30

Price @ 70-16	Stress Case	Base Case	Recovery Case
Yield	3.517	9.444	10.021
Spread	169	721	778
Duration	4.86	5.92	5.95
WAL	7.34	9.74	9.79

	May12 to Sep29	May12 to Jun34	May12 to Jun34
Principal Window			
Principal Writedown	48.71%	9.21%	0.69%
Total Collat Loss	1.25%	0.98%	0.86%
Total Liquidation	12.03%	9.52%	7.82%

HISTORICAL PERFORMANCE	1 MOS	3 MOS	6 MOS
CPR	19.57	9.40	12.33

Mortgage Type	Seasoned Prime 7/1 Hybrids	CDR	0.00	1.33	1.29
Wtd Avg Mortgage Coupon	3.139%	SEV	#N/A N/A	30.56	34.48
Wtd Avg FICO Score	737				
Wtd Avg Orig Loan-to-Value	63.04%				
HPI Adj LTV	64.82%				
Weighted Avg Loan Age	94				
Owner Occupied	92.81				
Top 1 Geo Concentration	CA 57%				
Top 2 Geo Concentration	FL 6%				
Top 3 Geo Concentration	VA 4%				
Always Current (24 mos)	92.16%				

*All Investments are subject to risk, including possible loss of principal.

*Investment idea may not be suitable for all investors.

*This message is a product of sales and trading and is not a research report

*Non-Agency bonds may have limited liquidity and clients should be aware that the secondary market for mortgage-backed securities has experienced periods of illiquidity and may do so in the future. Illiquidity means that there may not be any purchasers for your class of certificates. Although any class of certificates may experience illiquidity, it is more likely that classes

*High Yield Non-Agency bonds are speculative non-investment grade bonds that have higher risk of default or other adverse credit events which are appropriate for high risk investors only.

***** ALL OFFERS ARE SUBJECT**

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