

**From:** Richard Kahn <[REDACTED]>  
**To:** "jeffrey E." <jeevacation@gmail.com>  
**Subject:** Fwd: New Issue E\*TRADE Financial Preferred  
**Date:** Tue, 16 Aug 2016 14:26:55 +0000  
**Attachments:** ETFC\_-\_Prelim\_Prosupp.pdf

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just saw your email  
i will put in for 5mm with morgan stanley in STC account  
thank you

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

Begin forwarded message:

**From:** "Atlas, Andrew S" <[REDACTED]>  
**Subject:** New Issue E\*TRADE Financial Preferred  
**Date:** August 16, 2016 at 10:03:01 AM EDT  
**To:** "Richard Kahn ([REDACTED])" <[REDACTED]>

Morning Rich,

Morgan Stanley pricing a ETFC new issue \$1000 Par Preferred Price Whisper: 6.25% – 6.375%

Details:

ANNOUNCED: E\*TRADE Financial Preferred

ISSUER: E\*TRADE Financial Corporation ["ETFC"]

ISSUER RATINGS: Baa3 / BBB- (Stable / Stable)

EXPECTED

SECURITY RATINGS: Ba3 / BB-

SECURITY DESCRIPTION: Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series A, \$0.01 par value, with a liquidation preference of \$1,000 per share

FORMAT: SEC Registered

SIZE: \$400mm (will not grow)

OFFER PRICE: \$1000 / preferred share

MATURITY: Perpetual

PAR CALL DATE: On any dividend payment date on or after 9/15/2026

DIVIDENDS: Payable at a fixed rate of [ ]% from the original issue date to September 15, 2026; and thereafter payable at a floating rate of Three-month LIBOR plus [ ] %

DIV PAYMENT DATES: Semi-annually on March 15 and September 15, beginning March 15, 2017 and ending September 15, 2026, and thereafter quarterly on December 15, March 15, June 15 and September 15

REGULATORY CALL: At par any time within 90 days following a Regulatory Capital Treatment Event (see red)

LIQUIDATION RIGHTS: Liquidation preference of \$1,000 per share plus any declared and unpaid dividends, without accumulation of any undeclared dividends

VOTING RIGHTS: None, except with respect to certain changes in the terms of Series A Preferred Stock and in the case of certain dividend non-payments

LISTING: Not Listed

DRD/QDI ELIGIBLE: Yes

USE OF PROCEEDS: To finance acquisition of Aperture, the ultimate parent company of OptionsHouse. If the acquisition of Aperture is not consummated, net proceeds will be for general corporate purposes.

Let me know if you have any questions.

Best,  
Andrew

**Andrew S. Atlas**  
**First Vice President**

Equity Sales/Middle Markets Group  
Financial Advisor

**Morgan Stanley Wealth Management**

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NMLS ID # 1326736

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