

From: Richard Kahn <[REDACTED]>

To: "jeffrey E." <jeevacation@gmail.com>

Subject: Fwd: TRS on AAPL

Date: Fri, 08 Jan 2016 21:36:47 +0000

Inline-Images: Mail_Attachment.gif; Mail_Attachment(1).gif

I spoke with Daniel and Vahe regarding SFL going long AAPL via TRS
Terms would be very similar to discussion from Oct 2014

- 1) Notional: 250,000 shares of AAPL
- 2) Term: 1 year
- 3) Interest: 1 month libor (42 basis points) + 75 basis points (settlement will be quarterly)

Open Points that need your guidance

- 4) Collateral: 35% of Notional (assume aapl 97 x 250,000 = 24,250,000 x 35% = 8,487,500
 - > DB asked for cash and i proposed using stock which would require 2x or 16,975,000
 - > since trade is in AAPL we cannot use that stock - other large positions to use for collateral

Bank of New York	250,000 shares x 37.13 = 9,282,500
General Motors	97,525 shares x 29.52 = 2,878,938
Apollo	263,157 shares x 14 = 3,684,198
Healthnet	25,000 shares x 66.29 = 1,657,250

- 5) Purchase via a limit order on price or Volume Weighted Average Price (can be done for day or 5, 10 minute or any window of time)

Please advise
Thank you

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Begin forwarded message:

From: Daniel Sabba <[REDACTED]>

Subject: TRS on AAPL - creating synthetic long exposure [C]

Date: October 24, 2014 at 12:18:05 PM EDT

To: jeevacation@gmail.com

Cc: Paul Morris <[REDACTED]>, Vahe Stepanian <[REDACTED]>, Stewart Oldfield <[REDACTED]>, [REDACTED]

Classification: Confidential

Jeffrey,

Please see below indication for TRS in AAPL.

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

Color from trading desk: "this is probably the worst name for long total return - the street will generally be high".

Best regards,
Daniel



Daniel Sabba
Director | Key Client Partners

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Please note all prices are indicative and subject to change without notice.

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