From: "jeffrey E." <jeevacation@gmail.com>
To: Richard Kahn <[redacted]>
Subject: Re: Trade Recap - 4/2/2015 - DB Commodity WTI Short Volatility II Index [C]
Date: Thu, 09 Apr 2015 18:34:51 +0000

---

yes

On Thu, Apr 9, 2015 at 2:29 PM, Richard Kahn <[redacted]> wrote:

> please advise if ok for darren to sign and have SFL settle 152,705.94 on WTI trade
> thank you
>
> Richard Kahn
> HBRK Associates Inc.
> [redacted]
> tel [redacted]
> fax [redacted]
> cell [redacted]
>
> Begin forwarded message:
>
> **From:** Vahe Stepanian <[redacted]>
> **To:** Darren Indyke <[redacted]>, Richard Kahn <[redacted]>
> **Cc:** Daniel Sabba <[redacted]>, Ariane Dwyer <[redacted]>
> **Subject: FW: Trade Recap - 4/2/2015 - DB Commodity WTI Short Volatility II Index [C]**
> **Date:** April 9, 2015 at 1:27:32 PM EDT
>
> Classification: **Confidential**
>
> Darren / Rich – please find attached termination agreement for signature.
>
> The settlement amount of $152,705.94 is included in page 1 of the confirmation.
>
> Thank you,
>
> Vahe
>
> ---
>
> **From:** Vahe Stepanian
> **Sent:** Monday, April 06, 2015 9:49 AM
> **To:** Jeffrey Epstein
> **Cc:** Daniel Sabba; Richard Kahn; Paul Morris; Ariane Dwyer
> **Subject:** RE: Trade Recap - 4/2/2015 - DB Commodity WTI Short Volatility II Index [C]

Classification: **Confidential**

Jeffrey – please find WTI short vol. settlement details:

Index strike for 2Apr is 242.8579

Discount factor is 0.9994011

Southern Financial pays USD 152,705.94 to DB

Settlement date: 7 Apr 2015

Thank you,

Vahe

From: Vahe Stepanian
Sent: Thursday, April 02, 2015 3:00 PM
To: Jeffrey Epstein
Cc: Daniel Sabba; 'Richard Kahn'; Paul Morris; Ariane Dwyer
Subject: Trade Recap - 4/2/2015 - DB Commodity WTI Short Volatility II Index [C]

Classification: **Confidential**

Jeffrey – today we unwound your DB Commodity WTI Short Volatility II Index position per your instructions.

-

Trade recap:

SOFL unwinds the REFERENCE trade noted below at the close today.

Unwind Date: 2 Apr 2015

Final payment will be computed as:

DB pays: Notional / Strike * [Index closing level on Unwind Date – Index closing level on Last Reset Date] * Discount Factor – Bid/Offer Cost

If this number is negative, then SOFL will pay the absolute value of this number.

Notional: $10,000,000

Strike: 255.8709

Last Reset Date: 31 Mar 2015

Index closing level on Last Reset Date: 243.5748

Discount Factor: Discount factor between Unwind Date and next scheduled reset date (6/30/15), per LIBOR flat curve

Bid/Offer Cost: Latest Reset Notional * 1.31% ($124,704.68)

Index level is known only late in the evening. Tomorrow is a commodities holiday, so payment will be computed on Mon morning.

Settlement Date: 7-Apr-15.

I've attached the original trade confirm for your reference.

Thank you,

Vahe

From: Daniel Sabba
Sent: Tuesday, January 13, 2015 3:13 PM
To: jeevacation@gmail.com
Cc: [redacted]; Paul Morris; Vahe Stepanian
Subject: Trade Recap - 01/13/2015 - DB Commodity WTI Short Volatility II Index [C]

Classification: Confidential

Jeffrey, per our phone conversation, Southern Financial LLC entered into the following commodity swap with Deutsche Bank AG, acting through its London branch. Southern Financial went long DB Commodity WTI Short Volatility II Index. Initial strike to be set at close today. The Initial Margin on this trade is 5% of Notional. Official termsheet and confirm to follow.

```
Trade recap:
OTC index swap
Buyer:                 SOFL
Seller:                 DBAG London
Underlying:             DB Commodity WTI Short Volatility II Index
Bloomberg Ticker:       DBCMWSV2 Index
Trade Date:             13 Jan 2015
Effective Date:         13 Jan 2015
Expiry Date:            13 Jan 2016
Resets at end of each calendar quarter. For clarity reset dates are: 31-Mar-15, 30-Jun-
```

```
15, 30-Sep-15, 31-Dec-15, 13-Jan-16
Settlements:            T+2
Notional:               $10,000,000
IA:                     $500,000 paid by SOFL on 14-Jan-2015.
Up to 1.5% fees charged on exit under normal circumstances, irrespective of whether the
exit is on scheduled Expiry Date or earlier
Strike:                 Underlying closing level on Effective Date

Cash flows:
On each reset date:
Buyer receives: Notional / Strike * (Index closing level on reset date - Index closing
level on previous reset date)
For the first reset date, Index closing level on previous reset date = Strike
```

Thank you for the trade,
Daniel

Daniel Sabba
Key Client Partners
Deutsche Bank Securities Inc.
Tel. [redacted]
Mobile [redacted]
Email [redacted]