

Subject: RE: Trade Recap - 01/27/2015 - Long TWTR on 1y TRS, Short TWTR 1y calls [C]  
From: Paul Morris <[REDACTED]>  
Date: Fri, 31 Jul 2015 11:12:55 -0400  
To: Daniel Sabba <[REDACTED]>  
Cc: Vahe Stepanian <[REDACTED]>, Stewart Oldfield <[REDACTED]>

Hi what was decision here? Thx

-----Original Message-----

From: Daniel Sabba  
Sent: Thursday, July 30, 2015 10:00 AM Eastern Standard Time  
To: 'jeffrey E.'  
Cc: Paul Morris; 'Richard Kahn'; Vahe Stepanian; Ariane Dwyer; Stewart Oldfield  
Subject: RE: Trade Recap - 01/27/2015 - Long TWTR on 1y TRS, Short TWTR 1y calls [C]

Classification: Confidential

Jeffrey, please see below offers to unwind the short call position only:

For TWTR reference of \$31.60 the cost to unwind is \$1.89/share with a delta of 32%.

This assumes we work our execution and delta adjust price.

There will be a change in IA for the TRS once the call is unwound, as the IA of long TRS + short calls is lower than simply long TRS. We are waiting to hear back from our credit team on what this change would be and will advise.

Regards,

Daniel

From: Vahe Stepanian  
Sent: Tuesday, January 27, 2015 5:50 PM  
To: Daniel Sabba; jeffrey E.  
Cc: Paul Morris; Richard Kahn

Subject: RE: Trade Recap - 01/27/2015 - Long TWTR on 1y TRS, Short TWTR 1y calls [C]

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Jeffrey – please find updated TWTR trade details below (inclusive of initial strike), along with attached termsheet.

Total Return Swap:

Swap Seller: DB

Swap Buyer: Southern Financial LLC

Ticker: TWTR

Size: 100,000 shares

Expiry: 1/27/2016

Spread: 1mL+ 75bps

Resets: Monthly

Optional Early Termination: Applicable, 3 days (two-way)

Commissions: \$0.03 per share in and out

Initial Strike: \$38.9662 (Gross) / \$38.9962(Net)

European Call options on TWTR:

Option Seller: Southern Financial LLC

Option Buyer: DB

Shares: 100,000

Notional: \$3,896,620.00

Type: Call

Style: European

Expiry: 1/27/2016  
Strike \$38.9662  
Premium client receives: \$728,278.28 (18.69%)

Thank you,  
Vahe

From: Daniel Sabba  
Sent: Tuesday, January 27, 2015 2:14 PM  
To: jeffrey E.  
Cc: Vahe Stepanian; Paul Morris; Richard Kahn  
Subject: Trade Recap - 01/27/2015 - Long TWTR on 1y TRS, Short TWTR 1y calls [C]

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Jeffrey, per our phone conversation, Southern Financial LLC entered into the following transactions with Deutsche Bank AG, acting through its London branch. Southern Financial went long TWTR US through 1y TRS. Southern Financial went short TWTR US 1y European Calls struck at 100%. Initial strike on both transactions to be commercially reasonable VWAP until today's close. The Initial Margin on these transactions is 30% of Notional. Termsheet and official confirm to follow.

Total Return Swap:

Swap Seller: DB  
Swap Buyer: Southern Financial LLC  
Ticker: TWTR  
Size: 100,000 shares  
Expiry: 1/27/2016  
Spread: 1mL+ 75bps

Resets: Monthly  
Optional Early Termination: Applicable, 3 days (two-way)  
Commissions: \$0.03 per share in and out  
Initial Strike: commercially reasonable VWAP until today's close

European Call options on TWTR:

Option Seller: Southern Financial LLC  
Option Buyer: DB  
Notional: 100,000 OTC Call  
Expiry: 1/27/2016  
Strike: 100% of TRS Initial Strike  
Bid: 18.69%

Regards,  
Daniel

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