From: jeffrey epstein <jeevacation@gmail.com>
Sent: Tuesday, September 27, 2011 6:26 PM
To: Barrett, Paul S
Subject: Re: Update

Ok

Sorry for all the typos .Sent=from my iPhone

On Sep 27, 2011, at 8:23 PM, "Barrett, Paul S"=[redacted]>
> wrote:

J=ffrey

I think we should take advantage of the recent rally to trim some position= that either have limited upside (like our Barclays Pfds and Citi Pfds) or a=e at risk for further downside if Europe does not ratify the expanded EFSF.=

Rec=mmendation:

- trim our CIT from 10MM to 5MM. Would s=ll $2.5MM of both the 2016 and the 2017 maturity. We are up on both positio=s

- collar ½ our MS exposure for 1 month. This wo=ld entail buying a 14 put and selling a 17 call. Cost around 10c/share=/o:p>

- collar ½ out Telefonica position for 1 month. 13.50/=5 collar. Cashless.

I will call you to discuss.<=o:p>

=/o:p>

Paul<=o:p>

=/o:p>

Paul Barrett,[redacted]

[redacted]

<=pan style="font-size:10.0pt;font-family:"Tahoma","sans-ser=f"">From: Barrett, Paul S
Sent: Wedne=day, September 21, 2011 3:52 PM
To: 'Jeffrey Epstein'
Subje=t: Update

=nbsp;

Hi Jeffrey

We are still doing some more credit work before=we close the $5MM Harrah's note.

Since the end of August the account is down around $2.7MM (was flat=at the end of Aug).This translates into -$6.98MM for 2010 and +$4.25MM YTD f=r 2011.

=/o:p>

This has been due to (ch=nges since End of August):

SGD d=wn 5% ($500K)

INR d=wn 5% ($500K

- We switched both of these forwards into options so we h=ve limited downside from here on out

CADJPY down 150K [We are long the 83.25 CAD Call and Short=the 76.00 Put with a knock in at 71; spot at 76.50; knock in 7% away)=o:p>

Oil call down 140K<=:p>

Corn down 600K<=o:p>

ING Pfds down 200K =o:p>

MS Note knocked in d=wn 140K

Telefonica n=te down 300K [Stock is trading below 2009 lows; only 35% of their revenue c=mes from Spain; would HOLD]

I wo=ld like to reduce further downside.

I think the cheapest protection out there remains buying CDS on Asia. Fo= example Indonesia CDS costs 220bps. It got as wide as 1200bps in 2008. It f=els like Asian credit spreads remain one of the few things that have not mo=ed and could provide some cheaper tail risk if things deteriorate further.<=:p>

Financial Pfds remain our largest=notional exposure (around $20MM). I think we should reduce some exposure he=e. Would involve selling some of JPM, Barclays and Citigroup. BAC and WFC w=s downgraded today and would also trim those positions.</=>

Paul B=rrett, [redacted]

[redacted]

This email is confidential and subject to important disclaimers and conditio=s including on offers for the purchase or sale of securities, accuracy and c=mpleteness of information, viruses, confidentiality, legal privilege, and l=gal entity disclaimers, available at [redacted]

=