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**From:** Daniel Sabba [REDACTED]  
**Sent:** Tuesday, January 20, 2015 3:59 AM  
**To:** 'jeevacation@gmail.com'  
**Cc:** Vahe Stepanian  
**Subject:** Fw: DB Special Situations: Shopping List [C]  
**Attachments:** image001.jpg

Classification: Confidential

FYI - below is a note on Twitter (third from the top) from DB's special sits franchise.

From: Bryan Fingerroot  
Sent: Wednesday, January 14, 2015 03:56 PM  
Cc: Mark Hibbert  
Subject: DB Special Situations: Shopping List

Sales Notes Only / For Institutional Use Only

Given the rapid moving market, we wanted to mention some ideas that we think are interesting risk/rewards here. We kept the list tight to make it readable in 60 seconds, we have models and good research analysts on all of these so let us know if you would like to follow up on anything. As always these are sales notes only, follow links or email us for additional research and full view of risks.

-DB Team

North Star Financial (NRF)

Why: 8% dividend yield, interesting sum of the parts, excellent value creating management team, hidden value.

Possible Catalyst: Split company into two parts to re-rate multiple, could also see RMZ add, possible dividend increase

DB Target: \$22.50

Last note: <https://ger.gm.cib.intranet.db.com/ger/document/pdf/0900b8c088f08cc8.pdf>  
<<https://ger.gm.cib.intranet.db.com/ger/document/pdf/0900b8c088f08cc8.pdf>>

DB Analyst: Stephen Laws

#### Applied Materials (AMAT)

Why: If the Tokyo Electron deal closes earnings power should be in the \$2-\$2.50 range, give it a mid teens multiple to account for their technology leadership and position in the 4 company industry.

Possible Catalyst: Closing of Tokyo deal would lead to EPS being revised higher and re-rating of the stock price

DB Target: \$30

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DB Analyst: Sidney Ho

#### Twitter (TWTR)

Why: Seems that the pressure is on management to unlock some value by switching up the business model a bit. Stock is out of favor with 7.5% of the float short but it seems with such a massive user base that with the right move value could get unlocked here.

Possible Catalyst: Any business model shift to show ability to monetize user base would be well received.

DB Target: \$60

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DB Analyst: Ross Sandler

#### Dynegy (DYN)

Why: Company is making two big acquisitions which will transform it into a premier IPP in good markets.

Possible Catalyst: Re-rating upwards post closing of the deals with possible upside from buybacks and PJM pricing

DB Target: \$44

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DB Analyst: Jon Arnold

Softbank (9984 JT)

Why: Very wide discount to NAV makes for a compelling entry point.

Possible Catalyst: Any sort of strategic action to lower tax bill for BABA or collapse discount to NAV would be a big positive.

DB Target: 9500

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DB Analyst: Peter Milliken

MGM (MGM)

Why: Dislocated due to no direct Vegas comp and Macau weakness, very attractive sum of the parts valuation with tailwinds from Vegas.

Possible Catalyst: Show improving results in Vegas, stabilization in Macau, highlight upcoming value from Cotai buildout

DB Target: \$29

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DB Analyst: Carlo Santarelli

Baxter (BAX) – negative view

Why: Headwinds including generic cycle, FX, pension and potential extra costs from upcoming Baxalta spin could lead to lower EPS

Catalyst: Possible cuts to EPS estimates

Hold, DB Target \$66

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<<http://pull.db-gmresearch.com/cgi-bin/pull/DocPull/391-72D5/63633069/0900b8c089321efa.pdf>>

DB Analyst: Kristen Stewart

E\*Trade (ETFC)

Why: Company focused on deploying excess capital, upside to stock as we get closer to normalized earnings, possible M&A

Catalyst: Big catalysts would be rates going up and/or M&A chatter with competitor AMTD, small catalysts would be smart capital deployment

DB Target: \$26

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DB Analyst: Brian Bedell

Higher Risk Ideas:

Nuance (NUAN)

Why: Near 52 week low, cheapest stock in our software universe on P/E at 11x, business model adjustment has lead to weaker growth but we think that will turnaround in the future. 70% market share in voice technology, very strong patent portfolio.

Possible Catalyst: Unclear but could be a sale, split or just multiple re-rating if they can start to grow again, smart activist is top holder

DB Target: \$25

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DB Analyst: Nandan Amladi

Key Energy (KEG)

Why: Stock is trading like an option at this point, we think the company will survive a tough energy Possible Catalyst: stabilization of energy tape, covenant relief

DB Target: \$4

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<<http://pull.db-gmresearch.com/cgi-bin/pull/DocPull/387-72DD/3588854/0900b8c088ebd4a1.pdf>>

DB Analyst: Mike Urban

Cott (COT)

Why: Post DS Services acquisition company becomes a FCF machine with nice synergies

Possible Catalyst: Updates on integration of acquisition, reporting a few smooth quarters in a row should lead to multiple expansion

DB Target: \$9

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DB Analyst: Bill Schmitz

Bryan Fingerroot | Deutsche Bank

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