
From: Paul Barrett [REDACTED]
Sent: Thursday, July 12, 2018 7:49 PM
To: jeffrey E.
Cc: Richard Kahn
Subject: Broadcom

Jeffrey

We own 8000 shares of Broadcom (AVGO). They announced a surprise acquisition of Computer Associates (CA) last night. Stock dropped 13% today as the Street hates the deal. Big question is why would a semi= company buy a sleepy software business. And the company did not do a conference call. As a result there were a bunch of downgrades.

My cost basis: \$250 or \$2MM</=:p>

Current spot: \$209 after touching \$198 after the open

MTM (\$328K)

Market cap decline was \$14bln

Value of acquisition is \$18bln

My recommendation is to buy Aug \$200 puts for \$4.70 and keep the position. By then the market should have some more clarity from management regarding the deal.

Paul

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