January 23, 2017

Via ECF

Honorable Lorna G. Schofield
U.S. District Court
Southern District of New York
Thurgood Marshall Courthouse
40 Foley Square
New York, NY 10007

Re: *Axiom Investment Advisors, LLC, by and through its Trustee, Gildor Management LLC v. Barclays Bank PLC, et al.*
Case No. 1:15-cv-09323-LGS (S.D.N.Y.)

Dear Judge Schofield:

We write to update the Court on the stop loss subset discussed in our January 9, 2017 letter (ECF No. 98).

The stop loss subset[1] was integrated into the Covered Transaction database on January 23, 2017, and the Claims Administrator is in the process of notifying Class Members who have already logged into the database and who have additional trades, to review the portal for these additional trades. The following is a written description of the adjustment to the Plan of Distribution for the stop loss subset. The settlement website has also been updated with a description of the adjustment.

I. Background

Stop loss orders are submitted by a bank's clients to be executed when the market price reaches or surpasses a specified level. For example, when the market price is 1.2500, the client may submit a stop loss order to sell if the price drops to or below 1.2400 (the "price level"). If the market price reaches or passes through the price level, the stop loss order is triggered. There are three types of triggers that may be selected by a client of Barclays: "leading," "trailing," or "mid." These designations determine whether the bid, offer, or mid-price is used in the comparison to the price level.

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1 The stop loss subset is a small subset of accepted trades that were based on stop loss orders. A stop loss order is an instruction to trade when the market price reached a specified price level. The stop loss subset consists of less than 0.1% of trades/trade instructions in the Covered Transaction database and will account for a commensurately small percentage of aggregate claim value for all Class Members.

II. Methodology

The following methodology will be applied to determine claim value for the stop loss subset. The final version of the Plan of Distribution submitted on February 28, 2017 will include this methodology as an additional section.

For stop loss trades, claim value will be calculated based on the difference between: (i) the Barclays price available to the claimant at the time the stop loss order was triggered, and (ii) the price at which the stop loss order was executed.

a) For Covered Transactions for which the detailed data is available, claim value will be calculated on a trade-by-trade basis by the following formula:

   i. For a trade where the Class Member buys:

$$CV = TN \times \frac{(EP - TP)}{EP}$$

   ii. For a trade where the Class Member sells:

$$CV = TN \times \frac{(TP - EP)}{EP}$$

   Where:
   CV is the claim value in pound sterling;
   TN is the trade notional in pound sterling;
   TP is the Barclays price available to the claimant at the time at which the stop loss level was triggered; and
   EP is the price at which the stop loss order is executed.

b) For Covered Transactions for which detailed data is not available, claim value will be calculated using a model constructed from the set of Covered Transactions described in (a), *supra*, by hold period category, to determine an estimated claim value per unit of volume. There are two hold period categories: (i) short, which includes transactions with a hold period less than or equal to 1,900 milliseconds; and (ii) long, which includes all other transactions. The two hold period categories (short and long) represent distinct distributions of claim values per unit volume, as the short hold period includes trades where the Class Member received the price immediately after the stop loss order's price level was triggered. The model will then be applied to the Covered Transactions for which the data fields necessary to apply the formula described in (a), *supra*, are not available.

In the Covered Transaction database, the following additional data fields will be made available for stop loss trades, if available:

a) Price Level: the price at which the Class Member requested the order to be triggered;
b) Trigger Price: the first Barclays leading price that triggers the order;
c) Hold Period: the period of time between when the order was triggered and when it was executed; and
d) Fill Price: the price at which the order was executed.

The PowerPoint slides attached as Exhibit 1 to this letter illustrate the methodology with sample claim value calculations and are intended to help Class Members understand how the methodology was applied to stop loss trades.

Respectfully submitted,

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