

## Recent Derivative Disasters

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Description	Press Quoted Event	Reason
Askin Capital Management	\$600 MM	Excess Leverage, Long Position in Low Liquidity MBS CMO Derivatives
Community Bank Fund	\$5 MM	Portfolio of Structured Notes with Embedded Short Options
Gibson Greetings	\$20 MM	Naked Long Position in Interest Rate Swaps. Bet on Rates?
Odessa College District	\$6.5 MM	Net Long Position in Inverse Floaters, P.O.'s
Orange County Fund	\$500 MM	Speculation on Yield Curve and Fall in Interest Rates, Inverse Floaters, Structured Notes
Paine Webber US Govt SD Fund	\$37 MM	Net Long Position in Indexed CMO Positions
Piper Jaffray Funds All Bond Funds	\$700 MM	Net Long Position in Indexed CMO Positions and P.O.'s
Proctor & Gamble	\$157 MM	Naked Long Position in Leveraged Receive Fixed Interest Rate Swaps
Capital Corporate	\$100 MM	Net Long Position in CMO Bonds
Barings, Co.	\$1,400 MM	Naked Long Position in Nikkei 225 Futures Market

ANY HEDGING RELATED?  
NO!