

## RIVERSIDE Risk Advisors

### **Derivatives Advisory Firm Offers Pro-Bono Services for Non-Profits**

#### **Riverside Risk Advisors Helps Non-Profits Accurately and Transparently Price Complex Derivatives**

New York – January 6, 2011 -- Concerned that hospitals, museums, universities, school boards and other non-profits are no match for bankers when it comes to negotiating derivatives contracts, Riverside Risk Advisors LLC today announced that it will offer its services pro-bono to the non-profit sector on a case-by-case basis.

“The derivatives market is extremely useful, and it’s here to stay. By allowing greater flexibility in the management of credit, interest-rate and other risks, derivatives serve an important role in the capital markets. A potential problem arises, however, when one side of the transaction (i.e., the bank) is very sophisticated with respect to derivatives while the other side is not. Unsophisticated consumers of derivatives often have no one to represent them when they enter into or terminate a contract, certainly no one without any conflicts of interests,” commented Joyce Frost, a partner at Riverside Risk Advisors and a 25-year veteran of the derivatives market.

Many non-profits use derivatives, primarily interest rate swaps or caps, to hedge against rising interest rate risk and to aid them in their financial planning. For instance, they use interest rate swaps to exchange or “swap” a floating interest rate on a loan for a fixed rate. Knowing their borrowing costs reduces rate risk and allows treasurers and chief financial officers to plan better.

A recent New York Times article outlined how the multitrillion-dollar derivatives market is dominated by a small group of large banks whose derivatives trades lack transparency. As a result, buyers and sellers may not be getting best prices, according to the newspaper. Even when a customer transacts with a regional or community bank transparency can be lacking, according to Riverside Risk Advisors.

“We founded Riverside Risk Advisors to help level the playing field for derivatives participants by providing Wall Street expertise without any conflicts of interest,” Ms. Frost said. Riverside advises a broad range of for-profit derivatives users, such as corporations, project sponsors, real estate developers and asset managers, helping its clients achieve better pricing and terms on their new derivatives transactions, restructurings and terminations.

Ms. Frost and her partners, Frank Iacono and Chris Frost, made the decision to offer Riverside’s services on a pro-bono basis after working on behalf of a not-for-profit client in 2010. The client’s derivative counterparty had filed for bankruptcy, forcing the client to terminate the contract. While the client’s management suspected the termination price was too high, they did not have enough expertise or information to negotiate in a forceful way.

“We just want to help other non-profits that find themselves in similar situations,” Ms. Frost said.

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Ms. Frost and Mr. Iacono have long experience working with non-profits. Both serve as trustees of a top-rated charter school in New York City, and Ms. Frost is a long-standing board member of New York Cares, the 2009 winner of the New York Times Nonprofit Excellence Award.

Riverside Risk Advisors was launched in October 2009. Ms. Frost and Mr. Iacono are both former executives of Morgan Stanley, and Mr. Frost is a former managing director at Société General in New York, where he ran the corporate interest rate and foreign exchange derivatives desk.

## **About Riverside Risk Advisors**

Riverside Risk Advisors is an independent derivatives advisory firm offering unparalleled expertise to clients in the structuring, pricing and execution of derivatives, including credit derivatives, interest rate and currency swap transactions. It also provides expertise in accounting for derivatives.

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