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TIMES

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Lessons from the Financial Crisis
Heavybit - April 26th, 2016
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Who is this guy?

- First job at Netscape 1997
- Developer → Entrepreneur → CEO
- Started Hyperic in '04, sold in '09
- 3.5 “Years abroad” at VMware
- Started Acomplia in '13, sold in '14
- Now “email guy” at Microsoft



2008 was a shitty year

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TUESDAY, SEPTEMBER 16, 2008 - VOL. CCLII NO. 65

***** \$2.00

DJIA 10917.51 ▼504.48 -4.6% NASDAQ 2179.91 ▼3.6% NYSE Comp. (12214.76) DJ STOXX 90 2746.81 ▼4.0% 30-YR TREAS. ▲2 3/32, yield 3.482% OIL \$95.71 ▼\$5.47 GOLD \$793.10 ▲\$22.00 EURO \$1.4310 YEN 104.08

AIG, Lehman Shock Hits World Markets

Focus Moves to Fate of Giant Insurer After U.S. Allows Investment Bank to Fail; Barclays in Talks to Buy Core Lehman Unit

The convulsions in the U.S. financial system sent markets across the globe tumbling, as two of Wall Street's biggest firms looked set to exit the scene and insurance titan American In-

By *Suzanne Craig,
Jeffrey McCracken,
Jon Hilson and
Deborah Solomon*

ternational Group Inc. turned to the Federal Reserve and the state of New York for assistance.

The U.S. stock market suffered its worst daily point plunge since the first day of trading after the Sept. 11, 2001, terrorist attacks. Financial markets were rattled by the rushed sale Sunday of Merrill Lynch & Co. and the bankruptcy-court filing of Lehman Brothers Holdings Inc., which scrambled Monday to sell its most prized businesses before too many employees and customers walk out the door. (Please see related article on Page C1.)

All day Monday, top Lehman officials were huddled in Manhattan at their Seventh Avenue

ing. For much of the day, the major U.S. market indexes were down 2%, which, while a good-sized decline, was smaller than many had thought would be the case. But in the final hour of trading, a wave of selling hit, driven by concerns about the fate of AIG. The Dow Jones Industrial Average ended down 504.48 points on Monday, off 4.4%, at its daily low of 10917.51, down 18% on the year. Of the Dow industrials' 30 components, all but one—Coca-Cola Co.—fell, led by a 60.8% plunge in AIG.

In Europe, London's FTSE 100 index dropped 3.9%. Several Asian markets, including Japan and China, were closed Monday due to holiday. By Tuesday, Tokyo shares were down 5.1% in early trading, and Hong Kong's Hang Seng index was down 6.1%.

Monday's action was the latest fallout in a widening financial crisis that began a year ago with the fall of American housing prices and is now reverberating the U.S. financial system. Steps unveiled by the Federal Reserve to expand its emergency lend-



AIG Faces Cash Crisis As Stock Dives 61%

By *MATTHEW KARNITSCHENGO,
LIAM FLEVIN
AND SERENA NG*

American International Group Inc. was facing a severe cash crunch last night as ratings agencies cut the firm's credit ratings, forcing the giant insurer to raise \$14.5 billion to cover its obligations.

With AIG now tottering, a crisis that began with falling home prices and went on to engulf Wall Street has reached one of the world's largest insurance companies, threatening to intensify the financial storm and greatly complicate the government's efforts

A dramatic sky filled with dark, heavy, and textured clouds. A bright light source, likely the sun, is visible near the horizon, creating a strong glow and illuminating the edges of the clouds. The overall atmosphere is somber and intense.

Lesson 1: Be prepared



Lesson 2: The true meaning of "VP"



Lesson 3: Finance must be IN THE BOAT



Lesson 4: Have a good board



Lesson 5: It's darkest before dawn



Thank you.