

REDUCTION IN CLAIMS FOR GENERAL SHORTFALL

Convert the claim of each futures customer or Cleared Swaps Customer in each currency to U.S. Dollars:

Customer	Claim	Conversion rate	Claim in US\$
A	\$150	1.0	\$150
B	€100	1.0	100
C	€50	1.0	50
D	\$100	1.0	100
D	€100	1.0	100
Total			500.00

Determine assets available for distribution to futures customers or Cleared Swaps Customers, converting to U.S. dollars:

Location	Assets	Conversion rate	Assets in U.S. dollars	Shortfall due to sovereign action percentage	Actual shortfall due to sovereign action	Amount actually available
U.S.	\$250	1.0	\$250			\$250
U.K.	€50	1.0	50			50
Germany	€100	1.0	100			100
Total			400.00		0	400.00

Determine the percentage of shortfall that is not attributable to sovereign action:
 Shortfall Percentage = $(1 - 400/500) = (1 - 80\%) = 20\%$.

Reduce each futures customer or Cleared Swaps Customer by the shortfall percentage:

Customer	Claim in US\$	Allocated shortfall (non-sovereign)	Claim in U.S. dollars after allocated shortfall
A	\$150	\$30.00	120.00
B	100	20.00	80.00
C	50	10.00	40.00
D	200	40.00	160.00
Total	500.00	100.00	400.00

REDUCTION IN CLAIMS FOR SHORTFALL DUE TO SOVEREIGN ACTION

There is no shortfall due to sovereign action. Accordingly, the claims will not be further reduced.