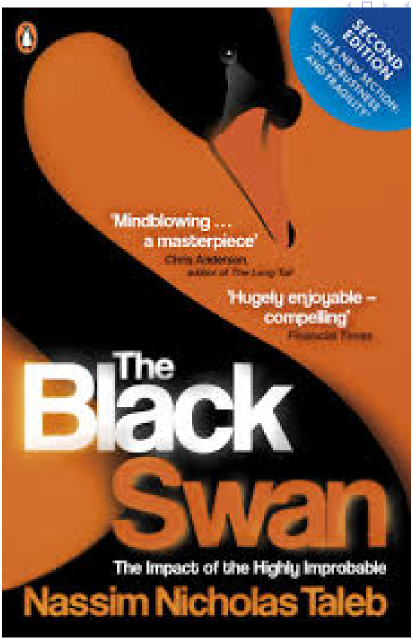
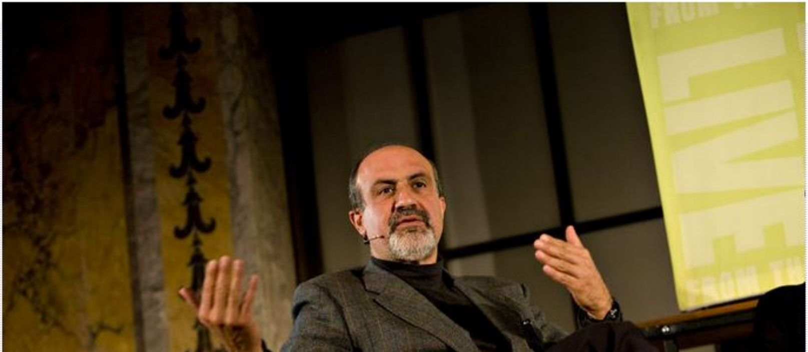

SECOND EDITION
'Mindblowing ... a masterpiece'
Chris Anderson,
'Hugely enjoyable – compelling'
Financial Times
The Black Swan
The Impact of the Highly Improbable
Nassim Nicholas Taleb

Taleb Says Investors Should Sue Nobel Panel for Losses



Probability Models

In his 2007 bestseller “The Black Swan: The Impact of the Highly Improbable,” Taleb described how unforeseen events can roil markets. He warned that bankers were relying too much on probability models and disregarding the potential for unexpected catastrophes.

“If no one else sues them, I will,” said Taleb, who declined to say where or on what basis a lawsuit could be brought.

"What goes out of the window? The entire discipline of modern finance and portfolio theory (the theories named after Harry Markowitz, William Sharpe, Merton Miller), the model-based methods of Paul Samuelson, much of time series econometrics (which dont appear to predict anything), along with papers and theories that are based on optimization. These bring fragility into the system."

(Remark: The basis of his argument in this matter has little to do with his Black Swan Theory).