

# David Gershon

## Experience

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### 2015-2017

Developed a universal model for option pricing that matches the market prices for Vanilla and Exotic options very precisely in all asset classes (currencies, equities, interest rates, commodities and energy). The model is patent pending. Presented the model to both Robert Merton and Myron Scholes, the two **Nobel Prize** winners and received their deep appreciation.

- Presented the model in May 2017 in the 'Global Derivatives 2017' conference, which is the most important conference for derivatives globally, as the key lecture in a special plenary session.
- Presented the model in the Finance department of Tel Aviv University in December 2016
- Presented the model in the Finance seminar in The Hebrew University in November 2016

Philanthropic activities: wide range of areas, including weekly food distribution to poor families, periodic delivery of unsubsidized medicine to cancer patients, donated medical devices for early detection of cancer, support for a school for autistic children, donated scholarships to talented Ethiopian young musicians.

### 1999-2014 Founder, CEO and Chairman SuperDerivatives

In 1998-1999 while I worked as an exotic option trader at Barclays Capital in London, when the common belief was that "pricing option is a matter of opinion", I analysed all the option prices quoted by banks traders to their inter-bank brokers and reached the conclusion that there was actually a consensus price for options known only to a small group of very experienced traders. These traders used to quote prices based on their experience and gut feeling and not by any specific bank's model but their prices were always very similar to each other. Traders out of this core group were a lot less experienced and occasionally mispriced options upward or downward and created a "noise" effect around the consensus prices. Because the option market was opaque and most option users had no access to the inter-bank broker market it was difficult for the industry to adopt the concept that there was actually a price for options and it was not 'a matter of opinion'.

Benefiting from access to the inter-bank broker market I developed a new pricing model which truly reflected the consensus market prices from the data that I collected from the inter-bank brokers. I realized that the strong need for transparency in the options market could be materialized by delivering my new model to all the option market participants. In 1999 I founded my company SuperDerivatives- one of the first FinTech companies ever.

In 2001 SuperDerivatives launched a real time option pricing system delivered over the internet- the first financial system on the internet ever. Within 2 years almost all the banks around the world that traded options used the SuperDerivatives pricing system and the model was referred to as the "benchmark for options". The availability of the system over the internet opened many new options markets such as in China, Indonesia, Thailand, Philippines, Turkey, Morocco, Dubai, Israel, Saudi Arabia, Mexico, Colombia, Poland, Russia, Slovenia, Slovakia. The users of the system included banks, hedge funds, corporations, brokers, central banks and auditors.

The biggest contribution of SuperDerivatives was the fact that the transparency it created enabled many additional market makers and takers to participate actively in the Vanilla and Exotic options market and as a direct result the bid-ask spreads shrunk and the liquidity and volume rose dramatically. Within less than 5 years SuperDerivative transformed the option market. Among SuperDerivatives clients were thousands of institutional clients including most of the banks around the globe, leading hedge funds, international corporations, brokers, central banks, auditors.

In 2003 SuperDerivatives launched its on-line full-fledged risk management system RMX - the first risk management system on the cloud. Being provided as software as a service (SAAS) RMX offered very significant cost saving and the system was popular among second tier banks. Since 2004 the company started to provide official daily data for mark to market to banks and hedge funds. In 2006 the company launched the first cross-asset real time derivatives system (for currencies, interest rates, equities, commodities and credit) that became very popular among banks, hedge funds and corporations.

The need to price options on so many assets and securities in real time and the fact that the client base was so versatile led SuperDerivatives to become a leading global market data vendor and since 2007 until the company was sold it was recognized in the option markets as the best provider for derivatives data.

In 2010 the company launched its multi-asset derivatives desktop SDX which had an auto-generated versions for traders, banks' sales, bank's risk managers, hedge funds and finance users at corporations. In 2012 the company launched its revolutionary market data free text platform DGX that competed with the data terminal of Bloomberg and ThomsonReuters.

SuperDerivatives, a global leader in cross asset market data and technology for derivatives pricing, trading and risk management, was acquired by Intercontinental Exchange (ICE) in 2014 for \$350M.

## Wall Street experience:

**1998-2000** Barclays Capital London, Global head of Exotic options

**1996-1998** Barclays Capital New York, Emerging Markets derivatives trader

**1994-1996** Deutschebank New York, Currency options quant and trader

**1993** Bank of America (Nationsbank), Mortgages derivatives quant

## Personal Awards

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**2016** Awarded "CEO of the Year, New York" by Acquisition-International

**2012** Inducted into the exclusive Inside Market Data **Hall of Fame**

<http://www.waterstechnology.com/inside-market-data/special/2180044/inside-market-hall-fame-david-gershon-physicist>

**2011, 2012, 2013, 2014:** Ranked among "The Tech 50" – 50 most influential people in Financial Technology by Institutional Investor magazine.

**2005, 2006, 2007, 2008, 2010:** Ranked among "Online Finance 40- The Financial Technology Sector's Top 40 Stars" by Institutional Investor magazine

**2008** Took the second place in the category "Entrepreneur of the Year" by Ernst & Young

## In the Press

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**Finance Monthly**- September 2016, “The Game Changer: Dr. David Gershon, The Person that brought transparency into options and transformed the options market”

**Acquisition-International**- April 2016: Cover page of the magazine, “CEO of The Year, New York”  
<http://www.acquisition-intl.com/2016-ceo-of-the-year-new-york>

**FX-MM** – September 2012: Cover page of the magazine, “SuperDerivatives- A Real Time Market Data Revolution” <https://www.fx-mm.com/article/18394/superderivatives-real-time-market-data-revolution/>

**Financial times**: 9 May 2001, July 24 2001, 30 October 2002, 17 November 2003, 22 April 2004, 27 May 2004, June 15, 2005 22 September 2005,

**Wall Street Journal**: 10 December 2004

**Institutional investor**: September 2002, March 2005, April 2006, August 2007, November 2008, September 13, August 14

**BusinessWeek**: 19 February 2007

**New York Times**: November 3, 2004

**Sunday Business**: 2 December 2001

In Israel:

**Globes**: 27-28 April 2006, 7-8 July 2008

**Haaretz**: April 26, 2004, March 21 2007, December 24 2006, 8 July 2008

## Awards and honor

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**2014** “Best Data Provider for Derivatives”, Inside Market Data

“Contract Win of The Year”, Inside Market Data

**2013** “Best Data Provider for Derivatives”, Inside Market Data

“Best Real-Time Market Data Initiative”, Inside Market Data

“Best New Data Product”, Inside Market Data

“Excellence in Data Providing and Derivatives”, IAIR Banking and Finance Awards

“Data Product Launch of the Year”, Global Derivatives Awards

**2012** “Best Data Provider for Derivatives”, Inside Market Data

“Best Risk Management and Option Pricing Provider”, FX week

“Best New Data Product”, Inside Market Data

“Excellence in Data Providing and Derivatives”, IAIR Banking and Finance Awards

**2011** “Best Data Provider for Derivatives”, Inside Market Data

“Best Pricing and Analytics in Forex”, FX Magazine

“Best innovation in risk management”, Futures and Options World Awards

**2010** “Best Data Provider for Derivatives”, Inside Market Data

**2008** “Best Vendor for Risk Management and Options Pricing Software Award”, FX Week

- 2007** “Best Data Provider for Derivatives”, Inside Market Data  
“Buy-Side innovation”, The Banker Technology Awards
- 2006** “Best pricing and risk management system”, FX Week Awards
- 2005** “Best Non-Bank Foreign Exchange Options Pricing”, Euromoney Technology Awards  
“Most Used in Non-Bank Foreign Exchange Options Pricing”, Euromoney Technology Awards  
“Overall Used Most in Non-Bank Foreign Exchange Options Pricing”, Euromoney Technology  
“Best Risk Management and Pricing System Vendor”, FX Week Awards
- 2004** “Best Risk Management and Pricing System Vendor”, FX Week Awards
- 2003** “Best Non-Bank Foreign Exchange Options Pricing Platform”, Euromoney Technology Awards  
“Best Risk Management and Pricing System Vendor”, FX Week Awards

## Patents

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I am the inventor 9 families of granted patents with 23 continuations in the area of Financial Technology. All patents are registered in the US and other countries. The subjects of my patents include options pricing models, financial back testing technology, financial CRM, risk management and Trade execution.

## Education

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- 1993-** M.Sc. in Finance, Kellogg School of Management
- 1991-1992-** Ph.D. in theoretical Physics (Superstrings) Tel Aviv University, under the supervision of Prof. Shimon Yankielowicz). Published 4 papers in leading journals.
- 1989-1990-** MBA major in Finance, Tel-Aviv University
- 1987-** M.Sc. in theoretical Physics, Weizman Institute for Science, under the supervision of Prof. Yitzhak Frishman
- 1985-** B.Sc. in Physics and Mathematics, Tel Aviv University