

June 27, 2006

10th Anniversary Creation of Activist Short-Selling

Today, June 27, 2006 marks the Tenth Anniversary of the first ever publication of a research report by a National Association of Securities Dealers ("NASD") member firm or any other professional organization advocating that investors avoid the purchase of a certain stock due to serious questions about management's representation and conduct.

On this day in 1996 Asensio & Company, Inc., then an Securities and Exchange Commission ("SEC") and NASD member firm, responded to an appearance on CNBC's "Squawk Box" television show by Diana Corporation's ("Diana") Chief Executive Officer ("CEO") with a press release and publication of a research report on the then brand-new Internet. Diana was one of Wall Street's first darling Internet bubble stock. In the CNBC appearance Diana's CEO hyped its technology and profit potential.

The first activist short selling reports, issued by Asensio shortly after Diana's CNBC appearance, criticized the company, its products and CEO, and revealed the CEO as a serial stock promoter with a long list of failed schemes, and also proved Diana's product to be fatally flawed. The stock fell rapidly and steadily from its high of \$125 price at the time of commencement of Asensio's activist short selling campaign, to zero when it filed for bankruptcy.

After initiating the stock market's first activist short selling company on this day ten years ago, Asensio went on to conduct thirty three (33) activist short selling campaigns. Sixteen (16) of those companies ultimately became widely recognized as stock frauds. Twenty four (24) dropped over 75%.

On October 31, 2003 Asensio & Company, Inc. closed its dedicated short selling proprietary investment operation. During its eight years of creating and practicing activist short selling Asensio's research, which the legendary investigative reporter Chris Byron just yesterday referred to as "well-researched and insightful" and which James Cramer, Bethany Mclean, and Charles Gasparino have all found productive and valuable, produced an average annual return of 45.2%. Despite all the difficulties of short selling in the greatest bull market of modern time Asensio closed its fund without incurring a single investor complaint or regulatory trading infraction, despite openly working against imbedded and conflicted forces with opposing interests.

Asensio & Company, Inc.'s archives and certain other material highlighting its success and the value of activist short selling to society as a whole are now deposited at <http://www.asensio.com/>asensio.com, which distributes information about short selling, and also advocates change in the current regulatory environment that places unnecessary regulations on short selling. On a highly selective basis the website also distributes opinions about interesting short selling candidates.

After the success of the activist short selling fund, Asensio & Company, Inc.'s founder and leader, Manuel P. Asensio, who is attributed for the fund's research, trading, and selection, launched an equity and fixed income, advisory business.