



A card game for 3-4 players.

What's in the Box

52 Cards:

- 12 – Toxic Asset cards
- 12 – AAA Asset cards
- 12 – Credit Default Swap (CDS) Asset cards
- 9 – Credit Default Swap (CDS) – Short/ Insure cards
- 7 – Investor cards

Game Pieces:

- 1 – die
- 4 – sets of gambling chips

Goal of the Game

Playing the role of an investment bank, try to make the most money, by creating **Collateralized Debt Obligations (CDOs)**, betting against the economy, and selling bad debt to unsuspecting investors.

Starting the Game

Each player picks a color of gambling chips to use as markers later in the game.

Shuffle the deck and deal 5 cards face down to each player. This is the starting hand for each player, and each player may look at his or her hand immediately (keeping it secret from the other players, of course).

Then, pick a player to go first. We recommend that the player with the most real-life debt plays first.

Playing the Game

On your turn, you must draw one card, and then perform **one** of the following actions (which are explained further below):

- Draw one additional card
- Create a **Collateralized Debt Obligation (CDO)**
- Play a **Credit Default Swap (CDS) – Short/ Insure** card
- Play an **Investor** card

After you perform **one** of these actions, play continues to the left (clockwise).

Creating a Collateralized Debt Obligation (CDO):

To create a **Collateralized Debt Obligation (CDO)**, take any three **Asset** cards (**Toxic**, **AAA**, or **CDS Asset** in any combination) from your hand and place them face down in front of you. The **CDO's** total value will be the sum of all of the values at the top of the cards. Once a **CDO** is created, **no player may look at its contents until the scoring phase at the end of the game, not even the person who owns it.**

See the Scoring section for *important* information on how these **CDOs** (their composition, in particular) will affect your final score.

Playing a Credit Default Swap (CDS) – Short/ Insure card:

You may **insure** any **CDO** of yours by playing a **CDS – Short/ Insure** card face-up on a **CDO** that hasn't already been insured. This insures you against losses you would receive because of a toxic **CDO**.

The insurance card is said to have failed if it is revealed to have been played on an all-**AAA CDO** at the end of the game.

Alternatively, you may **short** (bet against) any other player's **CDO** –or any other short that is not your own–by playing a **CDS – Short/ Insure** card face-up on the **CDO** or short card you wish to bet against. To keep track of who played these cards, place one of your gambling chips on any **CDS – Short/ Insure** card you play as a short. If you run out of chips, you may not play more shorts.

If a shorted **CDO** turns out to be toxic, you (the one who shorted it) gain an amount equal to its total value. If a shorted insurance fails to pay, you earn an amount equal to the total value of the insured **CDO**. If you play a short on another short, you will gain an amount equal to the value the short *would have* been paid should it have succeeded (if it fails).

Playing an Investor card:

You may “sell” a **CDO** by playing an **Investor** card on top of it. However, a “sold” **CDO** doesn't move anywhere until the game is over. At the end of the game, you will receive an amount equal to the total value of the sold **CDO**, and society will either lose an amount equal to the **CDO's** total value (should it be toxic) or gain an amount equal to the **CDO's** total value (should it be 100% **AAA**). *You may only play one **Investor** card per CDO.*

End of the Game

When a player goes to draw a card to begin their turn but cannot due to the deck being exhausted, this means the credit market has dried up and the end of the game is near.

When the credit market has dried up, players must be bailed out in order to continue playing.

To see if the government has bailed you out, roll a six-sided die on your turn. If the number you roll is **less than or equal to** the total number of **CDOs** you own, the government has deemed you to be systemically important (*"Too Big to Fail"*) and you have received a bailout. You may then perform one or no action(s), and play continues to the next player.

If you are not bailed out, your bank's stock is in freefall and you are at the mercy of the market. At this point, the player(s) with the **least number of CDOs** roll a six-sided die. If the roll is a number **less than or equal to** the total number of **CDOs** owned by the bank that is in freefall, the player who rolled acquires that bank (re-roll on a tie). The acquired bank gives his or her hand and chips to the acquiring bank, and all of the acquired bank's **CDOs**, shorts, etc become property of the acquiring bank. After an acquisition, the remaining banks continue playing. Do not physically move any cards that have been played on the table, though.

Play continues until:

1. Any bank is neither bailed out nor acquired (which means it has failed and caused a financial meltdown),
OR
2. Any bank's player has taken 2 consecutive turns without taking an action (which means you are stuck in a state of perpetual bailout).

Advance to the Scoring phase once one of these two things happens.

Scoring

After the game ends, keep a running score for each player, as well as a Society "player".

In players' hands:

Any Assets remaining in players' hands affect their score. The value of **AAA Assets** are added to their score; the value of all **Toxic Assets** and **CDS Assets** are subtracted. **Investor** cards have no effect.

In players' CDO's:

One player at a time, go through each player's **CDOs** and turn them face-up one at a time, being careful to not to

disrupt the relationships of any **CDS** or **Investor** cards played on the **CDO**. For each **CDO**, first determine the effects of the first scoring table (see below). Then, move on to the second table to resolve any **CDS - Short** cards that depend on the **CDO**.

A CDO's total value is the sum of its Assets' values (the dollar value at the top).

CDO Type	CDO Owner...	Society "Player"...
All - AAA	Gains amount equal to total value of CDO , or gains twice the amount if an Investor card was played on it.	Gains amount equal to total value of CDO , if an Investor card was played on it.
Toxic / Synthetic (contains any Toxic or CDS Assets)	Loses amount equal to total value of CDO , unless it has an Insurance or Investor card on it. If both an Insurance card and Investor card are on the CDO , gains an amount equal to its total value.	Loses amount equal to total value of CDO , if an Investor card was played on it.

Shorted Card	CDS - Short Owner...
CDO	Gains amount equal to total value of CDO if the CDO is not all AAA . The short has failed, otherwise.
Short	Gains amount equal to total value of CDO if the short on that CDO did not pay out: i.e., the CDO was all AAA and did not fail.

Find Out More

For more information about this game, including alternate rules, background information and real world scenarios check out our web site:

<http://www.cdsmess.com/>

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