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*Maximizing the probability of being solvent in the presence of transaction costs*

It is a well known result that, in the presence of transaction costs, the writer of a European option may not be solvent. Here, we present a stochastic control problem which consists in maximizing the probability of being solvent. We compute the optimal probability and the free boundaries characterizing the optimal policies. This is a joint work with Thaleia Zariphopoulou.