



**2010 PENNSYLVANIA STATEWIDE  
HIGH SCHOOL MOCK TRIAL COMPETITION**

***Commonwealth of Pennsylvania***  
***v.***  
***Legan Arabach***

**SPONSORED BY THE YOUNG LAWYERS DIVISION  
OF THE PENNSYLVANIA BAR ASSOCIATION**

*Written by Jon Grode*

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## Problem Questions & Contact Information

Questions concerning these case materials should be sent to David Keller Trevaskis at the Pennsylvania Bar Association (PBA). Case material questions will be answered in cooperation with the Statewide Mock Trial Executive Committee. Questions regarding mock trial procedure, including any questions involving the Rules of Competition or Rules of Evidence (Pennsylvania Mock Trial Version), should be directed to your District or Regional Mock Trial Coordinators.

Answers to legitimate and non-repetitive questions will be posted periodically in a supplemental memo on the mock trial website [www.pabar.org](http://www.pabar.org) under the Young Lawyer's Division (YLD) link.

You may begin submitting questions anytime. **The deadline for submitting questions is 12:00 noon on January 20, 2010.** The final update to the supplemental memo will be posted no later than **January 22, 2010.** The final memo will become the official supplemental memo and may be used in the competition. Please consult Rule of Competition 3.3 concerning the evidentiary value teams are to give the final official supplemental memo.

Questions must be sent in writing by one of the methods listed below. Please be sure to include return contact information in the event we need to reach you to clarify a question.

**No questions will be considered unless submitted under this procedure.**

E-mail: [david.trevaskis@pabar.org](mailto:david.trevaskis@pabar.org)

Fax: 717.238.7182

Regular Mail:

David Keller Trevaskis  
Pennsylvania Bar Association.  
100 South Street  
PO Box 186  
Harrisburg, PA 17108-0186

## Introduction and Acknowledgments

Welcome to the 2010 Pennsylvania Statewide High School Mock Trial Competition - the 26<sup>th</sup> year of one of the top secondary level academic competitions in the Commonwealth! The competition, which commenced in 1984, is sponsored by the Young Lawyers Division of the Pennsylvania Bar Association (PBA/YLD). It provides high school students with firsthand experience of the American judicial system. The Mock Trial Competition is one of a series of law-related and civic education programs conducted by the PBA to demystify the law for Pennsylvanians, including Freedom's Answer, I Signed the Constitution, Project PEACE, Law Day and Stepping Out for Seniors. This year, in particular, is one of great pride for the PBA/YLD as the PBA will host the 2010 National High School Mock Trial Championship in Philadelphia, Pennsylvania in May.

This year's case, *Commonwealth of Pennsylvania v. Legan Arabach*, is a criminal case involving the murder of an immigrant financial analyst employed by one Philadelphia's most historic investment firms. The case was written by Jonathan A. Grode, Esq., (Temple University James E. Beasley School of Law - May 2008), who also adapted and modified the 2007 mock trial case and wrote the 2008 and 2009 mock trial cases. Mr. Grode is also the primary author of the 2010 National High School Mock Trial Championship case. Jane E. Meyer, Esq., a prior Mock Trial Competition Chair and current member of the National High School Mock Trial Championship Board of Directors, continues in her role as primary editor of the case materials and completed the final version of the problem in collaboration Paul Kaufman, Esq. and Mr. Grode. Our sincerest thanks go out to Attorneys Grode, Meyer and Kaufman for their tireless and enthusiastic creation and editing of this year's case materials.

Mr. Grode thanks Yuah Jessica Choi, Esq. (Goldblum & Hess) and Maria P. Fritzinger, Esq., (Goldblum & Hess) for reviewing various drafts of the problem, Roberta West (LEAP Program Advisor Temple University) for her ongoing and tireless support; and the entire YLD of the PBA for their valued assistance, suggestions and guidance.

Thanks also go to Co-Chairs of this year's Competition, Ryan Blazure, Esq. and Traci Naugle, Esq. for their efforts in organizing and implementing the many facets of this competition. The Mock Trial Committee would also like to express its appreciation to Timothy Burns, Esq., current PBA/YLD Chair, and Lisa Woodburn, the PBA/YLD Chair Elect, for their continued support of and valued input into the competition. Additionally, the YLD thanks David Trevaskis, PBA Pro-Bono Coordinator, and Jennifer J. Walsh of Lackawanna County, former Co-Chair of the Mock Trial Competition and a former PBA/YLD Chair, for their continued involvement and experienced guidance in implementing the 2010 Mock Trial Competition.

Finally, we thank the hundreds of volunteers who annually contribute their time and energy to the overall organization and running of the program. Last, but certainly not least, we thank the PBA staff, headed by Executive Director Barry Simpson and Deputy Executive Director Fran O'Rourke, and the many PBA staff members, too numerous to mention, who provide valuable time and talent throughout the mock trial season. Without their assistance, this competition would not be the tremendous success that it is each year. Special thanks go to Maria Engles, the YLD Coordinator at the PBA, who serves as the main point of contact for the entire program, beginning to end.

We hope you find these materials interesting, and wish you all the best of luck!

## Statement of Facts

On the night of October 27, 2008, Ophile Sarat, a financial analyst at Alwinjo Investments, planned to confront her/his boss Legan Arabach over what Sarat believed was a Ponzi scheme being run out of Alwinjo. Sarat's roommate, Shay Tinto, drove Sarat to the Alwinjo building and watched as Sarat entered through the front doors. Sarat was never seen again.

Legan Arabach was the managing partner of Alwinjo, a Philadelphia institution that had been in the Arabach family for almost 90 years. Alwinjo had once been a prestigious investment house but was in decline. In May 2008, Arabach attempted to infuse the firm with new blood by hiring Ophile Sarat and Rylan Satterfield, both recent college graduates. Sarat was a serious and bright Turkish immigrant who needed a work visa in order to remain in the United States. Arabach maintained ultimate control over sponsorship of the visa and Sarat worried constantly s/he would lose it.

Rylan Satterfield lacked Ophile Sarat's academic credentials but made up for it with confidence and charisma. More significantly, Satterfield offered the Holy Grail of investment banking to Arabach: Satterfield claimed to have created a new statistically based algorithm, called the StockSnake, that could predict market trends. Arabach believed that if StockSnake proved successful, s/he could market it to investors. Without it, Arabach faced the prospect of laying off employees, or worse, closing the firm.

Although Sarat and Satterfield disliked each other, they were assigned the account of one of the firm's largest investors, Dr. Donald Riverdale. Sarat worked hard on the account throughout the summer of 2008 while Satterfield spent most days surfing the web. With the potential of layoffs looming, Shay Tinto convinced Sarat to try to get Satterfield fired. Sarat's plan backfired and instead of firing Satterfield, Legan Arabach put Sarat on probation and threatened to withhold the work visa sponsorship. Arabach also removed Sarat from the Riverdale account.

Even though Sarat was off the Riverdale account, s/he and Shay Tinto continued to monitor it to see what Satterfield and StockSnake were up to. In September, they became suspicious StockSnake was part of a Ponzi scheme intended to defraud StockSnake investors, including Dr. Riverdale. At the time, only Satterfield and Arabach had formal access to StockSnake accounts and were able to move funds in and out of it.

In October 2008, the market began a downward slide of historical proportion. Alwinjo investors clamored for their money but Arabach told her/his analysts to ignore client calls. On the morning of October 27, Dr. Riverdale and his wife showed up at Alwinjo demanding answers. Arabach pulled up the account which showed that Dr. Riverdale's entire fund, \$5 million, was gone and Arabach appeared to blame Sarat for the loss. Dr. Riverdale committed suicide in his home later that night.

On the night s/he disappeared, Sarat had intended to confront Legan Arabach about the Riverdale account and StockSnake. After Sarat failed to return home from the Alwinjo offices, Tinto called police to report Sarat missing. Detective Zene Gaffney was assigned the case and after Tinto told Detective Gaffney about Sarat's suspicious disappearance, Gaffney obtained a search warrant for the Alwinjo building. The search revealed incriminating evidence, including Sarat's blood under a carpet pad in Arabach's office as well as a possible murder weapon containing Arabach's fingerprints and Sarat's blood. Sarat's body was never found.

According to both Satterfield and Arabach, they attended Game 5 of the World Series on October 27, 2008 together, so Arabach was not in her/his office when Sarat came to the building.

At trial, Shay Tinto and Detective Gaffney will testify for the Commonwealth. Rylan Satterfield and the accused, Legan Arabach, will testify for the defense. The Defendant has been charged with third degree murder.

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COMMONWEALTH OF PENNSYLVANIA : IN THE COURT OF COMMON PLEAS  
: PHILADELPHIA COUNTY, PENNSYLVANIA  
:  
v. : Docket No.: 018302 CR 2008  
:  
LEGAN ARABACH, :  
Defendant : Charge: Criminal Homicide

\*\*\*\*\*

**CRIMINAL COMPLAINT**

I, Detective Zene Gaffney, Badge 1995, Philadelphia Police Department, 6<sup>th</sup> Patrol District, do hereby state:

**1. I accuse:**

Legan Arabach, who resides at 1810 Jody Road in Meadowbrook, PA, with violating the penal laws of the Commonwealth of Pennsylvania.

**2. The acts committed by the accused were:**

**\*\* CRIMINAL HOMICIDE** **COUNT 1**

The accused did intentionally, knowingly, recklessly or negligently cause the death of another human being, to wit, Ophile Sarat, in that the accused did stab Sarat with a letter opener, causing Sarat's death.

**3. The accused committed these acts against the peace and dignity of the Commonwealth of Pennsylvania and contrary to the Acts of the General Assembly, ...**

18 Pa.C.S.A. §§ 2501 and 2502(c)

**4. I ask that a warrant of arrest or a summons be issued and that the accused be required to answer the charges I have made. (In order for a warrant of arrest to issue, the attached affidavit of probable cause must be completed and sworn to before the issuing authority).**

**5. I verify that the facts set forth in this Complaint are true and correct to the best of my knowledge, information and belief subject to penalties of 18 Pa.C.S.A. § 4904, relating to unsworn falsification to authorities.**

Date: November 5, 2008 Det. Zene Gaffney  
(signature of the complainant)

AND NOW, on this date, November 5, 2008 I certify the Complaint has been properly completed and verify that there is probable cause for the issuance of process.

Clerk of Courts – Original Judge M. Levy, Magistrate D.J.  
Issuing Authority

**PROBABLE CAUSE AFFIDAVIT**  
**PHILADELPHIA POLICE DEPARTMENT**

**Incident Number:** 2003070893 PHL

**DATE:** Nov. 5, 2008

**Charge(s):** 18 Pa.C.S.A. § 2502 Murder

**Case:** Commonwealth v. Legan Arabach

I, the undersigned, do hereby state under oath (affirmation):

1. My name is Detective Zene Gaffney, Philadelphia Police Department;
2. I am a representative of the Department, which has been investigating the murder of Ophile Sarat on or about October 27, 2008, in the City of Philadelphia;
3. The Department has received the following information regarding the murder of Ophile Sarat:
  - On October 28, 2008, at around 18:00 hours, I was called to investigate the disappearance of Ophile Sarat. I spoke with Sarat's roommate, Shay Tinto, who explained that s/he had last seen Sarat around 20:00 hours on October 27, going into an office building to meet the accused, who owned the firm Alwinjo Investments. The victim intended to confront the accused over alleged fraud perpetrated by the accused against investors.
  - The victim told Shay Tinto to wait in the car for her/him to return, but the victim never returned from the accused's work office and remained missing the next day. Surveillance video on the building confirmed that the victim walked into the building at 20:20 hours on October 27, 2008 but was not recorded leaving the building.
  - On October 29, 2008, a CSI team performed a search of the Alwinjo offices and collected evidence. The evidence collected included a significant amount of the victim's blood found under the carpet in the accused's personal office and a letter opener found within the accused's office that contained blood from the victim and the fingerprints of the accused.
  - Though the victim's body has not been recovered, there is no evidence that the victim is alive and the amount of blood discovered in the accused's office is indicative that the victim suffered a severe wound and lost enough blood to make death likely.
4. Based on the aforementioned information, I request that an arrest warrant be issued for Legan Arabach, whose residence is 1810 Jody Road in Meadowbrook, PA.

I swear to or affirm the above information upon my knowledge, information, belief, and sign it on November 5, 2008, before J. M. Levy, whose office is that of Magisterial District Judge.

Judge M. Levy, Magistrate D.J.  
Issuing Authority Signature and Seal

Det. Zene Gaffney  
Signature of Affiant

\*\*\*\*\*

COMMONWEALTH OF PENNSYLVANIA	:	IN THE COURT OF COMMON PLEAS
	:	PHILADELPHIA COUNTY, PENNSYLVANIA
	:	
v.	:	Docket No.: <u>018302 CR 2008</u>
	:	
LEGAN ARABACH,	:	
Defendant	:	Charge: Criminal Homicide

\*\*\*\*\*

## WARRANT

TO ANY AUTHORIZED PERSON:

Pursuant to this warrant, you are commanded to arrest Legan Arabach, Defendant, if found in the Commonwealth of Pennsylvania and bring said Defendant before the undersigned to answer the foregoing complaint.

November 5, 2008  
 Date

Judge M. Levy, Magistrate D.J.  
 Issuing Authority Signature and Seal



\*\*\*\*\*

COMMONWEALTH OF PENNSYLVANIA	:	IN THE COURT OF COMMON PLEAS
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	:	:
v.	:	Docket No.: <b>018302 CR 2008</b>
	:	:
LEGAN ARABACH,	:	:
Defendant	:	<b>Charge: Criminal Homicide</b>

\*\*\*\*\*

### Transcript of Proceedings before Issuing Authority

1. Legan Arabach, who resides at 1810 Jody Road in Meadowbrook, PA, was arrested on November 5, 2008 and charged by Complaint with the crimes of Criminal Homicide, 18 Pa.C.S.A. §§ 2501 and 2502(c).
2. A Preliminary arraignment for Defendant Legan Arabach was held before the undersigned at 1301 Filbert St., Philadelphia, Pennsylvania on November 5, 2008.
3. At the preliminary arraignment, the Defendant was advised of her/his right to apply for assignment of counsel and was given a copy of the Criminal Complaint.
4. At the preliminary arraignment, bail was denied.
5. On December 7, 2008, a preliminary hearing was held before undersigned at 1301 Filbert St., Philadelphia, Pennsylvania. The Defendant was present and was represented by counsel. The Commonwealth was represented by the assigned Assistant District Attorney. Detective Zene Gaffney was sworn and testified for the Commonwealth.
6. At the conclusion of the preliminary hearing on December 7, 2008, the Defendant was held for court on the charge of Criminal Homicide, 18 Pa.C.S.A. §§ 2501 and 2502(c).
7. Bail was set in the amount of ten million dollars.

AND NOW, on this date, December 7, 2008 I certify the transcript of proceedings before issuing authority has been properly completed.

Judge M. Levy, Magistrate D.J.  
Issuing Authority

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COMMONWEALTH OF PENNSYLVANIA : IN THE COURT OF COMMON PLEAS  
: PHILADELPHIA COUNTY, PENNSYLVANIA  
:  
v. : Docket No.: 018302 CR 2008  
:  
LEGAN ARABACH, : Charge: Criminal Homicide  
Defendant

\*\*\*\*\*

**INFORMATION**

The charge(s) having been bound over for court by the Magisterial District Judge following a Preliminary Hearing, The District Attorney of Philadelphia County by this Information charges that, on (or about) October 27, 2008, in said County, Legan Arabach,

**First Count:**

The accused did intentionally, knowingly, recklessly or negligently cause the death of another human being, to wit, Ophile Sarat, in that the accused did stab Sarat with a letter opener, causing Sarat's death.

**Which is against the Act of Assembly and the Peace and Dignity of the Commonwealth of Pennsylvania.**

P. Hutchinson  
Attorney for the Commonwealth

**Citation(s):** CRIMINAL HOMICIDE, 18 Pa.C.S.A. §§ 2501 and 2502(c)

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COMMONWEALTH OF PENNSYLVANIA : IN THE COURT OF COMMON PLEAS  
: PHILADELPHIA COUNTY, PENNSYLVANIA  
:  
v. : Docket No.: 018302 CR 2008  
:  
LEGAN ARABACH, : Charge: Criminal Homicide  
Defendant

\*\*\*\*\*

### Arraignment

I, Legan Arabach, have been advised by the District Attorney of Philadelphia County, Pennsylvania that I am charged by Information with Criminal Homicide (18 Pa.C.S.A. §§ 2501 and 2502(c).

I have been advised of my right to have an attorney represent me at all hearings and the trial of these charges.

I have been advised and fully understand that I/my lawyer have/has the right to request discovery or disclosure from the District Attorney within fourteen (14) days of today's date.

I have been advised and I fully understand that I/my lawyer have/has the right to file with the Court any pre-trial application for relief in the form of a single omnibus pre-trial motion within thirty (30) days of today's arraignment date.

I hereby enter a plea of Not Guilty to the above charges and request a trial by Jury. Trial is scheduled for the February - March 2010 Term of Criminal Court.

Date: December 7, 2008

Legan Arabach  
Defendant

John Kent Northrop  
Attorney for Defendant

P. Hutchinson  
Attorney for the Commonwealth

Clerk of Courts – Original

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COMMONWEALTH OF PENNSYLVANIA	:	IN THE COURT OF COMMON PLEAS
	:	PHILADELPHIA COUNTY, PENNSYLVANIA
	:	
v.	:	Docket No.: <b>018302 CR 2008</b>
	:	
LEGAN ARABACH,	:	
Defendant	:	Charge: <b>Criminal Homicide</b>

\*\*\*\*\*

### Rule 600 Waiver

I have been advised and I understand that under Rule 600(A)(3) of the Pennsylvania Rules of Criminal Procedure that my trial in Philadelphia County Court must begin on or before the 365th day from the date of the filing of the criminal complaint accusing me of the above charges. I am aware that these charges may be dismissed if my trial does not commence on or before the 365th day or within any additional time allowed to the Commonwealth under the provision of Rule 600.

I have been advised and I understand that by signing this "Waiver" I am waiving or giving up my right to be tried within 365 days from the filing of the criminal complaint, and I am agreeing that I can be tried after the 365th day.

I have not received any promises, nor have I been forced to sign this waiver. I read and write the English Language and have attended school to eleventh grade. I have reviewed this "Waiver" with my attorney.

Date: 10/7/09

          Legan Arabach            
Defendant

Date: 10/7/09

          John Kent Northrop            
Attorney for the Defendant

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<p><b>COMMONWEALTH OF PENNSYLVANIA</b></p> <p style="text-align: center;">v.</p> <p><b>LEGAN ARABACH,</b>  <b>Defendant</b></p>	<p><b>: IN THE COURT OF COMMON PLEAS</b>  <b>: PHILADELPHIA COUNTY, PENNSYLVANIA</b>  <b>:</b>  <b>: Docket No.: 018302 CR 2008</b>  <b>:</b>  <b>:</b>  <b>: Charge: Criminal Homicide</b></p>
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**STIPULATIONS**  
(as amended 12/3/09)

1. All documents, signatures and exhibits, including pre-markings, included in the case materials are authentic and accurate in all respects; no objections to the authenticity of the documents or exhibits will be entertained. The parties reserve the right to dispute any legal or factual conclusions based on these items and to make objections other than to authenticity. Jurisdiction, venue and chain of custody of the evidence are proper.
2. All statements made by witnesses and all physical evidence and exhibits were constitutionally obtained.
3. The Defendant has knowingly and voluntarily waived her/his right against self-incrimination under the Fifth Amendment to the Constitution.
4. Samples from the blood found beneath the carpet in Legan Arabach's office and the blood found on Legan Arabach's letter opener were tested by a crime lab. The results of this testing, which may be admitted in whole or in part without further foundation by either party, are as follows:
  - a. The blood beneath the carpet came from the same individual as the blood on the letter opener.
  - b. The blood is a 99.978% genetic match to Ophile Sarat. In addition to Ophile Sarat, the blood could have come from any of approximately 1276 individuals in the Philadelphia metropolitan area. (Based upon a metropolitan population of approximately 5.8 million.)
5. Fingerprints were recovered by Detective Zene Gaffney from the letter opener in Legan Arabach's office, were tested by Independence Labs, and were compared with the database of fingerprints on the National Crime Information Center computer system. The results of this testing and this search, which may be admitted in whole or in part without further foundation by either party, are accurately reflected on Exhibit 3.
6. Game 5 of the World Series commenced on Monday October 27, 2008 at 8:29 p.m. at Citizens Bank Park in Philadelphia. A medium to heavy rain fell through the entire evening. The game was suspended in the top of the sixth inning, at 10:13 p.m. The game was scheduled to resume on October 28, 2008 but was rained out. The game finally resumed on October 29, 2008 and was completed that night. The Phillies won the World Series in 2008.

7. Surveillance video from the front of the building housing Alwinjo Investments and surveillance video from the elevators inside the building showed:
- a. Ophile Sarat entered the front doors of the building on October 27, 2008 at 8:20 p.m., went immediately into an elevator, and exited the elevator on the third floor.
  - b. Legan Arabach entered the front doors of the building on October 27, 2008 at 7:09 a.m., went immediately into an elevator, and exited the elevator on the third floor.
  - c. Legan Arabach entered the front doors of the building on October 28, 2008 at 5:09 a.m., went immediately into an elevator, and exited the elevator on the third floor.
  - d. Jane Riverdale entered the front doors of the building on October 27, 2008 at 8:45 p.m., went immediately into an elevator, and exited the elevator on the sixth floor. Ms. Riverdale entered an elevator on the sixth floor at 9:45 p.m., exited the elevator on the first (ground) floor, and immediately exited the building.

There is no additional relevant footage on surveillance video other than that stipulated to.

John Kent Northrop  
Attorney for Defendant

P. Hutchinson  
Attorney for the Commonwealth

## APPLICABLE LAW

### COMMONWEALTH OF PENNSYLVANIA CRIMES CODE

(Mock Trial Version)

#### 18 Pa.C.S.A. § 2501. Criminal homicide

- (a) **Offense defined.** -- A person is guilty of criminal homicide if he intentionally, knowingly, recklessly or negligently causes the death of another human being.
- (b) **Classification.** -- Criminal homicide shall be classified as murder (of the first, second or third degree), voluntary manslaughter, or involuntary manslaughter.

#### 18 Pa.C.S.A. § 2502. Murder

- (a) **Murder of the first degree.** -- A criminal homicide constitutes murder of the first degree when it is committed by an intentional killing.
- (b) **Murder of the second degree.** -- A criminal homicide constitutes murder of the second degree when it is committed while defendant was engaged as a principal or an accomplice in the perpetration of a felony.
- (c) **Murder of the third degree.** -- All other kinds of murder shall be murder of the third degree. Murder of the third degree is a felony of the first degree.
- (d) **Burden of proof where the victim's body has not been discovered:** The prosecution has the burden of proving murder beyond a reasonable doubt. However if the Commonwealth seeks try someone for murder without a body, the prosecution must establish a "reasonable probability" that the victim has died. "Reasonable probability" is akin to the civil burden of proof standard of "preponderance of the evidence".

# JURY INSTRUCTIONS

At the conclusion of a jury trial, the judge will instruct the jury how to apply the law to the evidence. Hypothetically, if the judge in your mock trial case were to provide instructions to the jury, they would look something like the following:

*[Please note: A copy of these instructions may not be used as an exhibit during the mock trial competition; however, students may use these concepts in fashioning their case and making arguments to the jury.]*

## 1. Role of Jury

Members of the jury, you have seen and heard all the evidence and the arguments of the lawyers. Now I will instruct you on the law.

You have two duties as a jury. Your first duty is to decide the facts from the evidence that you have heard and seen in court during this trial. That is your job and yours alone. I play no part in finding the facts. You should not take anything I may have said or done during the trial as indicating what I think of the evidence or what I think about what your verdict should be.

Your second duty is to apply the law that I give you to the facts. My role now is to explain to you the legal principles that must guide you in your decisions. You must apply my instructions carefully. Each of the instructions is important, and you must apply all of them. You must not substitute or follow your own notion or opinion about what the law is or ought to be. You must apply the law that I give to you, whether you agree with it or not.

Whatever your verdict, it will have to be unanimous. All of you will have to agree on it or there will be no verdict. In the jury room you will discuss the case among yourselves, but ultimately each of you will have to make up his or her own mind. This is a responsibility that each of you has and that you cannot avoid.

Perform these duties fairly and impartially. Do not allow sympathy, prejudice, fear, or public opinion to influence you. You should also not be influenced by any person's race, color, religion, national ancestry, or gender.

## 2. Jury sole judge of facts; sympathy or prejudice not to influence verdict

You are the sole judges of the facts in this case. It is your duty to determine the facts from the evidence produced here in court. Your verdict should not be based on speculation, guess or conjecture. Again, neither sympathy nor prejudice should influence you. You are to apply the law as stated in these instructions to the facts as you find them, and in this way decide the case.

Although the lawyers may have called your attention to certain facts or factual conclusions that they thought were important, what the lawyers said is not evidence and is not binding on you. It is your own recollection and interpretation of the evidence that controls your decision in this case. Also, do not assume from anything I may have done or said during the trial that I have any opinion about any of the issues in this case or about what your verdict should be.

## 3. Credibility of witnesses

As I stated in my preliminary instructions at the beginning of the trial, in deciding what the facts are you must decide what testimony you believe and what testimony you do not believe. You are the sole judges of the credibility of the witnesses. Credibility refers to whether a witness is



worthy of belief: Was the witness truthful? Was the witness' testimony accurate? You may believe everything a witness says, or only part of it, or none of it.

You may decide whether to believe a witness based on his or her behavior and manner of testifying, the explanations the witness gave, and all the other evidence in the case, just as you would in any important matter where you are trying to decide if a person is truthful, straightforward, and accurate in his or her recollection. In deciding the question of credibility, remember to use your common sense, your good judgment, and your experience.

In deciding what to believe, you may consider a number of factors:

- (1) The opportunity and ability of the witness to see or hear or know the things about which the witness testified;
- (2) The quality of the witness' knowledge, understanding, and memory;
- (3) The witness' appearance, behavior, and manner while testifying;
- (4) Whether the witness has an interest in the outcome of the case or any motive, bias, or prejudice;
- (5) Any relation the witness may have with a party in the case and any effect the verdict may have on the witness;
- (6) Whether the witness said or wrote anything before trial that was different from the witness' testimony in court;
- (7) Whether the witness' testimony was consistent or inconsistent with other evidence that you believe; and
- (8) Any other factors that bear on whether the witness should be believed.

Inconsistencies or discrepancies in a witness' testimony or between the testimony of different witnesses may or may not cause you to disbelieve a witness' testimony. Two or more persons witnessing an event may simply see or hear it differently. Mistaken recollection, like failure to recall, is a common human experience. In weighing the effect of an inconsistency, you should also consider whether it was about a matter of importance or an insignificant detail. You should also consider whether the inconsistency was innocent or intentional.

You are not required to accept testimony even if the testimony was not contradicted and the witness was not impeached. You may decide that the witness is not worthy of belief because of the witness' bearing and demeanor, or because of the inherent improbability of the testimony, or for other reasons that are sufficient to you.

After you make your own judgment about the believability of a witness, you can then attach to that witness' testimony the importance or weight that you think it deserves.

The weight of the evidence to prove a fact does not necessarily depend on the number of witnesses who testified or the quantity of evidence that was presented. What is more important than numbers or quantity is how believable the witnesses were, and how much weight you think their testimony deserves.

#### **4. Direct and Circumstantial Evidence**

Evidence may either be direct evidence or circumstantial evidence. Direct evidence is direct proof of a fact, such as testimony by a witness about what that witness personally saw or heard or did. Circumstantial evidence is proof of one or more facts from which you could find another fact.

For example, direct evidence that it was raining outside a few minutes ago is the testimony of someone who was outside and saw that it was raining, then testified to that fact. Circumstantial evidence that it was raining outside a few minutes ago is if someone comes into the courtroom with wet shoes, carrying a wet umbrella.

You should consider both kinds of evidence. The law makes no distinction between the weight to be given to either direct or circumstantial evidence. It is for you to decide how much weight to give to any evidence. You may decide the case solely based on circumstantial evidence, and the Commonwealth may meet its burden of proof solely based on circumstantial evidence.

## **5. Presumption of innocence; reasonable doubt; burden of proof**

The defendant, Legan Arabach, has pleaded not guilty to the offense charged. The Defendant is presumed to be innocent. S/he started the trial with a clean slate, with no evidence against her/him. The presumption of innocence stays with Legan Arabach unless and until the Commonwealth has presented evidence that overcomes that presumption by convincing you that Legan Arabach is guilty of the offense charged beyond a reasonable doubt. The presumption of innocence requires that you find her/him not guilty, unless you are satisfied that the Commonwealth has proved guilt beyond a reasonable doubt.

The presumption of innocence means that Legan Arabach has no burden or obligation to present any evidence at all or to prove that s/he is not guilty. The burden or obligation of proof is on the Commonwealth to prove that Legan Arabach is guilty and this burden stays with the Commonwealth throughout the trial.

In order for you to find Legan Arabach guilty of the offense charged, the Commonwealth must convince you that Legan Arabach is guilty beyond a reasonable doubt. That means that the Commonwealth must prove each and every element of the offense charged beyond a reasonable doubt. A defendant may not be convicted based on suspicion or conjecture, but only on evidence proving guilt beyond a reasonable doubt.

Proof beyond a reasonable doubt does not mean proof beyond all possible doubt or to a mathematical certainty. Possible doubts or doubts based on conjecture, speculation, or hunch are not reasonable doubts. A reasonable doubt is a fair doubt based on reason, logic, common sense, or experience. It is a doubt that an ordinary reasonable person has after carefully weighing all of the evidence, and is a doubt of the sort that would cause him or her to hesitate to act in matters of importance in his or her own life. It may arise from the evidence, or from the lack of evidence, or from the nature of the evidence.

If, having now heard all the evidence, you are convinced that the Commonwealth proved each and every element of the offense charged beyond a reasonable doubt, you should return a verdict of guilty for that offense. However, if you have a reasonable doubt about one or more of the elements of the offense charged, then you must return a verdict of not guilty of that offense.

## **6. Criminal Homicide**

The defendant is charged with taking the life of Ophile Sarat by criminal homicide. There are two possible verdicts that you might reach in this case -- not guilty or guilty of murder of the third degree.

Before defining this crime, I will tell you about malice, which is an element of murder. A person who kills must act with malice to be guilty of any degree of murder. The word "malice," as I am using it, has a special legal meaning. It does not mean simply hatred, spite, or ill-will.

For murder of the third degree, a killing is with malice if the perpetrator's actions show his or her wanton and willful disregard of an unjustified and extremely high risk that his or her conduct would result in death or serious bodily injury to another. In this form of malice, the Commonwealth need not prove that the perpetrator specifically intended to kill another. The Commonwealth must prove, however, that he or she took action while consciously, that is, knowingly, disregarding the most serious risk he or she was creating, and that, by his or her disregard of that risk, he or she demonstrated his or her extreme indifference to the value of human life.

## **7. Third Degree Murder Defined**

Third degree murder is any killing with malice (that is not first or second degree murder). To find the defendant guilty of this offense, you must find the following elements have been proven beyond a reasonable doubt:

- *First*, that Ophile Sarat is dead;
- *Second*, that the defendant killed her; and
- *Third*, that the defendant did so with malice.

The word “malice,” as I am using it, has the meaning I described above; that is, malice exists if the perpetrator’s actions show his or her wanton and willful disregard of an unjustified and extremely high risk that his or her conduct would result in death or serious bodily injury to another.

## **8. Special Burden of Proof Where Victim’s Body Has Not Been Discovered**

The prosecution has the burden of proving murder beyond a reasonable doubt. However in cases like this one, where the Commonwealth tries someone for murder but the alleged victim’s body has not been found, the Commonwealth must establish a “reasonable probability” that the victim has died. “Reasonable probability” is akin to the civil burden of proof standard of “preponderance of the evidence.”

Think about an ordinary balance scale with a pan on each side to hold objects. Imagine using the scale as you deliberate in the jury room. Place all the evidence favorable to the Commonwealth in one pan. Place all the evidence favorable to the defendant in the other. If the scales tip, even slightly, to the Commonwealth’s side, then the Commonwealth has met its burden of showing that Ophile Sarat is dead. If, however, the scales tip even slightly on the defendant's side, or if the two sides of the scale balance, then you must find for the defendant and you must render a verdict of not guilty.

In short, if, after considering all the evidence, you find that it is more likely true than not that Ophile Sarat is dead, the Commonwealth has met its burden in this respect only. The Commonwealth must still demonstrate all other elements of the crime of murder in the third degree, as I have defined it for you, beyond a reasonable doubt.

## **9. Role of Jury – Deliberations; Unanimous Verdict, Duty to consult**

That concludes my instructions explaining the law regarding the testimony and other evidence, and the offenses charged. Now let me explain some things about your deliberations in the jury room, and your possible verdicts.

*First*, the first thing that you should do in the jury room is choose someone to be your foreperson. This person will speak for the jury here in court. He or she will also preside over

your discussions. However, the views and vote of the foreperson are entitled to no greater weight than those of any other juror.

*Second*, I want to remind you that your verdict, whether it is guilty or not guilty, must be unanimous. To find Legan Arabach guilty of an offense, every one of you must agree that the Commonwealth has overcome the presumption of innocence with evidence that proves each element of that offense beyond a reasonable doubt. To find Legan Arabach not guilty, every one of you must agree that the Commonwealth has failed to convince you beyond a reasonable doubt.

*Third*, if you decide that the Commonwealth has proved Legan Arabach guilty, then it will be my responsibility to decide what the appropriate punishment should be. You should never consider the possible punishment in reaching your verdict.

*Fourth*, as I have said before, your verdict must be based only on the evidence received in this case and the law I have given to you. You should not take anything I may have said or done during trial as indicating what I think of the evidence or what I think your verdict should be. What the verdict should be is the exclusive responsibility of the jury.

*Fifth*, now that all the evidence is in, the arguments are completed, and once I have finished these instructions, you are free to talk about the case in the jury room. In fact, it is your duty to talk with each other about the evidence, and to make every reasonable effort you can to reach unanimous agreement. Talk with each other, listen carefully and respectfully to each other's views, and keep an open mind as you listen to what your fellow jurors have to say. Do not hesitate to change your mind if you are convinced that other jurors are right and that your original position was wrong. But do not ever change your mind just because other jurors see things differently, or just to get the case over with. In the end, your vote must be exactly that-- your own vote. It is important for you to reach unanimous agreement, but only if you can do so honestly and in good conscience. Listen carefully to what the other jurors have to say, and then decide for yourself if the Commonwealth has proved the defendant guilty beyond a reasonable doubt.

No one will be allowed to hear your discussions in the jury room, and no record will be made of what you say. You should all feel free to speak your minds.

*Sixth*, once you start deliberating, do not talk about the case to the court officials, or to me, or to anyone else except each other. If you have any questions or messages, your foreperson should write them down on a piece of paper, sign them, and then give them to the court official who will give them to me. I will first talk to the lawyers about what you have asked, and I will respond as soon as I can. In the meantime, if possible, continue with your deliberations on some other subject.

One more thing about messages. Do not ever write down or tell anyone how you or any one else voted. That should stay secret until you have finished your deliberations. If you have occasion to communicate with the court while you are deliberating, do not disclose the number of jurors who have voted to convict or acquit on any offense.

# GLOSSARY

- **Certificate of Accuracy:** A document verifying the accuracy of information and/or documentation presented.
- **Green Card / Permanent Residency:** A status afforded to foreign nationals that allows them to remain and work indefinitely in the United States. It can be obtained through sponsorship by a family member or by an employer doing business in the United States.
- **Financial Audit:** A review by an independent party of the financial statements of a company, resulting in the publication of an independent opinion on whether or not those financial statements are accurate, complete, and fairly presented. Financial audits are typically performed by firms or practicing accountants.
- **Fiscal Year:** Any yearly period without regard to the calendar year, at the end of which a firm, government, etc., determines its financial condition. For example, the “fiscal year” 2008-09 might begin on October 1, 2008 and end on September 30, 2009.  
*Dictionary.com Unabridged. <Dictionary.com [http://dictionary.reference.com/browse/fiscal\\_year](http://dictionary.reference.com/browse/fiscal_year)>.*
- **Forensic Accounting:** Forensic Accounting utilizes accounting, auditing, and investigative skills to conduct an examination into a company's financial statements, thus providing an accounting analysis that is suitable for court.  
*Investopedia.com. <Dictionary.com [http://dictionary.reference.com/browse/forensic\\_accounting](http://dictionary.reference.com/browse/forensic_accounting)>.*
- **Hedge Fund:** An aggressively managed portfolio of investments that uses advanced investment strategies with the goal of generating high returns. Legally, hedge funds are most often set up as private investment partnerships that are open to a limited number of investors and require a very large initial minimum investment.  
*Investopedia.com. <Dictionary.com [http://dictionary.reference.com/browse/hedge\\_fund](http://dictionary.reference.com/browse/hedge_fund)>.*
- **Junk Bond:** A bond rated BB (a low investment strength rating) or lower because of its high default risk. Also known as a high-yield bond, or speculative bond.
  - *Investopedia Commentary: These are usually purchased for speculative purposes. Junk bonds typically offer interest rates three to four percentage points higher than safer government issues.**Investopedia.com. <Dictionary.com [http://dictionary.reference.com/browse/junk\\_bond](http://dictionary.reference.com/browse/junk_bond)>.*
- **Large Cap Stocks:** Over \$5 billion in net worth (capitalization). Companies are usually classified as either large cap, medium cap, small cap, or micro cap, depending on their market capitalization, but the dividing lines are somewhat arbitrary. As a general guideline, the market capitalization is \$5 billion or more for large caps, \$1 billion to \$5 billion for medium caps, \$250 million to \$1 billion for small caps, and less than \$250 million for micro caps.  
*Investorwords.com <[http://www.investorwords.com/2722/large\\_cap.html](http://www.investorwords.com/2722/large_cap.html)>.*
- **Medium Cap Stocks:** A company with a market capitalization of over \$1 billion, but below \$5 billion. *also called midcap.*  
*Investorwords.com <[http://www.investorwords.com/3034/medium\\_cap.html](http://www.investorwords.com/3034/medium_cap.html)>.*
- **Patent:** The right to exclude others from making, using, or selling an invention or products made by an invented process that is granted to an inventor and his or her heirs or assigns for a term of years after being certified by the United States federal patent office.
  - *Note: A patent may be granted for a process, act, or method that is new, useful, and not obvious, for a new use of a known process, machine, or composition of matter or material, and for any new, original, and ornamental design for an article of manufacture. Patents issuing on applications made after June 8, 1995, for basic or plant patents (excluding design patents) are for a term of 20 years from the date of application.**Merriam-Webster's Dictionary of Law. <Dictionary.com <http://dictionary.reference.com/browse/patent>>.*

- **Practical Training Visa:** One year of employment authorization afforded to foreign nationals who complete a degreed course of study that lasts at least one year in duration. The area of practical training must be related to the degreed course of study. United States Citizenship and Immigration Services issues the foreign national a one year employment authorization card evidencing same.
- **Ponzi Scheme:** A fraudulent investing scam that promises high rates of return at little risk to investors. The scheme generates return by acquiring new investors.
  - *Investopedia Commentary The Ponzi scheme is named after Charles Ponzi, a clerk in Boston, who first orchestrated such a scheme in 1919. Although a Ponzi scheme is similar to a pyramid scheme in that both are based on new investors' funds to pay the earlier backers, they differ in that the Ponzi mastermind signs up new investors, who are used to attract potential investors, rather than the hierarchical pyramid setup whereby all the investors do the recruiting. Eventually, there are not enough returns to pay investors and the schemes unravel.*

*Investopedia.com. <Dictionary.com [http://dictionary.reference.com/browse/ponzi\\_scheme](http://dictionary.reference.com/browse/ponzi_scheme)>.*

- **Hypothetical example:** *Suppose an advertisement is placed that promises extraordinary returns on an investment — for example, 20 percent on a 30-day contract (i.e. \$120 for every \$100 invested). The objective is usually to deceive laypeople who have no in-depth knowledge of finance or financial jargon. Verbal constructions that sound impressive but are essentially meaningless will be used to dazzle investors: terms such as "hedge futures trading," "high-yield investment programs," "offshore investment" might be used. The promoter will then sell stakes to investors — who are essentially victims of a confidence trick — by taking advantage of a lack of investor knowledge or competence. Claims of a "proprietary" investment strategy, which must be kept secret to ensure competitive edge, may also be used to hide the nature of the scheme.*

Without the benefit of precedent or objective prior information about the investment, only a few investors are tempted, usually for small sums. Thirty days later, the investor receives the original capital plus the 20 percent return. At this point, the investor will have more incentive to put in additional money and, as word begins to spread, other investors grab the "opportunity" to participate, leading to a cascade effect deriving from the promise of extraordinary returns. However, the "return" to the initial investors is being paid out of the investments of new entrants, not out of profits.

One reason that the scheme initially works so well is that early investors — those who actually got paid the large returns — commonly reinvest their money in the scheme (it does, after all, pay out much better than any alternative investment). Thus, those running the scheme do not actually have to pay out very much (net) — they simply have to send statements to investors showing them how much they earned by keeping the money, in order to maintain the deception that the scheme is a fund with high returns.

This simplistic notion of the Ponzi scheme is typically embellished with several (or many) feints that help prove seeming legitimacy to the ruse. For example, Bernard Madoff famously refused investors' money, even when they begged him to take it. To an outside observer, these sorts of often high-profile 'exclusivity' acts tend to discredit doubts—if it was a fraud, why would Madoff refuse more cash? Such illusions of normal business-as-usual reinforce a Ponzi scheme as a real investment.

*<wikipedia. [http://en.wikipedia.org/wiki/Ponzi\\_scheme#Hypothetical\\_example](http://en.wikipedia.org/wiki/Ponzi_scheme#Hypothetical_example)>*

- **Price Earnings Ration:** PE ratio, P/E ratio or PER for short. A company's share price divided by its earnings per share (EPS), expressed as a number. An important indication of comparative value - investors are normally better off buying a stock with a low P/E ratio than one with a high ratio, as they are getting more earnings for their money.

*<Financial Times. <http://lexicon.ft.com/term.asp?t=price%2FEarnings-ratio>>*

- **Publicly Traded Company:** A company whose shares of common stock are held by the public and are available for purchase by investors. The shares of publicly traded firms are bought and sold on the organized exchanges or in the over-the-counter market and regulated by the SEC.  
*Wall Street Words.* <Dictionary.com [http://dictionary.reference.com/browse/publicly\\_traded\\_company](http://dictionary.reference.com/browse/publicly_traded_company)>.
- **Sabermetrics:** the computerized measurement of baseball statistics
- **Securities / Stocks:** shares owned in a particular company or corporation. When a company is publicly traded, the shares of that company can be any investor.  
<Dictionary.com <http://dictionary.reference.com/browse/Sabermetrics>>.
- **Securities and Exchange Commission (SEC):** A government agency created by Congress to regulate the securities markets and protect investors. The statutes administered by the SEC are designed to promote full public disclosure and protect the investing public against fraudulent and manipulative practices in the securities markets. Most issues of securities offered in interstate commerce must be registered with the SEC.  
*Investopedia.com.* <Dictionary.com [http://dictionary.reference.com/browse/securities\\_and\\_exchange\\_commission](http://dictionary.reference.com/browse/securities_and_exchange_commission)>.
- **Source Code:** Code written by a programmer in a high-level language and readable by people but not computers. Source code must be converted to object code or machine language before a computer can read or execute the program.  
*The American Heritage® Dictionary* <Dictionary.com [http://dictionary.reference.com/browse/source\\_code](http://dictionary.reference.com/browse/source_code)>.
- **Stock Market:** The market in which shares are issued and traded either through exchanges or over-the-counter markets. Also known as the equity market, it is one of the most vital areas of a market economy because it provides companies with access to capital and investors with a slice of ownership in the company and the potential for gains if the company does well in the future.  
*Investopedia.com.* <Dictionary.com [http://dictionary.reference.com/browse/stock\\_market](http://dictionary.reference.com/browse/stock_market)>.
- **Student Visa:** A visa issued to a foreign national so that he or she may enter a course of study in the United States. The Student Visa does not automatically allow for employment authorization. The Student Visa expires when the foreign national completes the course of study or separates from the University/College. Foreign nationals who complete a degree course of study lasting at least one year are afforded the option of obtaining a one year practical training visa.
- **Trade Secret:** A formula, process, device, or item of information used by a business that has economic value because it is not generally known or easily discovered by observation or examination and for which reasonable efforts to maintain secrecy have been made.
  - *Commentary: Trade secrets are a form of intellectual property but are not afforded the same protection as a patent is. Trade secrets do not expire, because they are not registered with the government..**Merriam-Webster's Dictionary of Law.* <Dictionary.com [http://dictionary.reference.com/browse/Trade\\_Secret](http://dictionary.reference.com/browse/Trade_Secret)>.
- **Title VII of the Civil Rights Act:** Prohibits employment discrimination based on race, color, religion, sex and national origin.  
*EEOC.* <<http://www.eeoc.gov/policy/vii.html>>.
- **Work Visa:** A temporary visa that entitles a foreign national to employment authorization and requires employer sponsorship. A work visa is different from a green card (in addition to its temporary nature) in that the foreign national must remain employed by the sponsoring employer in order to remain legally in the United States. At the conclusion of a work visa, the foreign national must depart the United States, seek an extension or apply for permanent residency.

## List of Witnesses

The prosecution and the defense must call each of their respective witnesses. The defendant is permitted to sit at counsel table. All witnesses can be played by either males or females.

**NOTE: THE GENDER OF THE INDIVIDUAL PORTRAYING SHAY TINTO WILL ALSO BE THE GENDER REFERRED TO THROUGHOUT ANY MOCK TRIAL FOR THE VICTIM OPHILE SARAT.**

### For the Commonwealth of Pennsylvania:

- **Shay Tinto:** Ophile Sarat's roommate
- **Zene Gaffney:** Police officer who conducted the investigation

### For the Defendant, Legan Arabach:

- **Legan Arabach:** Defendant and owner of Alwinjo Investment, LLC
- **Rylan Satterfield:** Investment analyst for Alwinjo Investment, LLC

### Pronunciation Guide:

<b>Ophile:</b>	oh-FEEL
<b>Sarat:</b>	Sa-RAAT
<b>Zene:</b>	Zen
<b>Legan:</b>	LEE-gan
<b>Arabach:</b>	ARR-a-bock
<b>Rylan:</b>	RYE-lin
<b>Alwinjo:</b>	al-WIN-joe
<b>Teloitte &amp; Mouche:</b>	tell-WAA and Moosh



## STATEMENT OF SHAY TINTO

1 My name is Shay Tinto. I was Ophile's roommate and best friend for the past five years until  
2 s/he went missing at the end of October 2008. I am 27 years old and still reside in the same two  
3 bedroom apartment that Ophile and I shared at 123 S. 13<sup>th</sup> St., Philadelphia, Pennsylvania.  
4

5 Ophile and I became fast friends during our freshman year at Drexel University. We quickly  
6 discovered we had a lot in common; were both foreign students - Ophile was from Turkey and  
7 I'm from Australia – and we were both older than most students. By our sophomore year we  
8 became roommates and remained roommates until Ophile died.  
9

10 I majored in psychology and minored in finance, which was Ophile's major. Though we had few  
11 classes together, we always helped each other study. I was a huge help to Ophile with her/his  
12 writing because English was Ophile's second language. Ophile was an incredibly focused  
13 student. S/he rarely did anything but study. S/He knew that as an immigrant, if s/he wanted to  
14 get sponsorship for a work visa after graduation, it was really important that s/he be at the top of  
15 the class.  
16

17 From the start of college, Ophile talked incessantly about Rylan Satterfield, who was also a  
18 finance major. Ophile was insecure about her/his accent and envious of Rylan's flair and her/his  
19 ability to control a room when s/he spoke. Unlike Ophile, I was able to lose my accent because  
20 growing up, I always mimicked Americans I saw in movies. Anyway, Rylan was a drongo, as we  
21 say in Australia, but Ophile was initially blind to Rylan's flaws, even after Rylan made fun of  
22 Ophile's accent at a finance department dinner. I heard Rylan ask Ophile, "Shouldn't you be  
23 serving the food instead of eating it?!"  
24

25 It wasn't until December 2006, our junior year, that Ophile discovered what Rylan was all about.  
26 Rylan had been caught cheating on an advanced macroeconomics final. Rylan sat right behind  
27 Ophile and copied her/his answers almost word for word, including Ophile's grammatical errors.  
28 I was a student member of the disciplinary committee and even though I had to exclude myself  
29 from the proceedings, I was present at the hearing. Rylan admitted to cheating but testified that  
30 Ophile knowingly helped her/him. Fortunately, the committee didn't fall for Rylan's silver tongue.  
31 Rylan got an F for the class and was placed on probation.  
32

33 The rest of our college experience was filled with studying and a little bit of fun. Ophile  
34 continued to excel academically, and based upon remarks I saw from her/his professors, s/he  
35 was becoming an expert in analyzing data and making market predictions. Unfortunately, due to  
36 her/his difficulty with English, s/he didn't do well in her externships; some people can be very  
37 impatient working with foreigners or people with accents. Ophile realized that the only way to  
38 get a job after graduation was to focus on publishing a scholarly type article.  
39

40 Ophile worked extremely hard on her/his senior thesis. S/he coupled her/his experience working  
41 at an uncle's investment firm in Budapest, which was focused on Middle East capital  
42 investments, with her/his newly realized analytical skills. The thesis concluded that U.S. markets  
43 would continue to slow over the next 5-10 years and that the future of investment was overseas,  
44 especially in Middle Eastern oil markets. I proofread the thesis and eliminated the grammar  
45 errors that tipped off Ophile as a foreigner. It was so impressive that Ophile's advisors helped  
46 get the paper, *Middle East Financial Feast and America's Last Supper*, published in *Dorbes*, a  
47 leading financial publication. It was the first time an undergraduate student had been published  
48 in that prestigious magazine! We knew this was her/his ticket to getting a work visa.  
49

50 Graduation was a time of celebration for us both. I was accepted into the Temple University's  
51 Master's in Public Health program. Even though the economy was weak in May 2008, Ophile

52 landed a great job as an analyst with the prestigious investment firm, Alwinjo Investments. S/He  
53 was hired by the company president Legan Arabach. I was able to remain on a student visa and  
54 Ophile was provided a standard one year practical training visa. Ophile knew that Alwinjo would  
55 have to sponsor a work visa if s/he were to remain in the States, but Ophile seemed confident  
56 her/his work would prove so valuable that s/he would get sponsored. We were both shocked to  
57 learn that Rylan also landed a job at Alwinjo. I was curious why they hired a known cheater.

58  
59 The mystery of Rylan's hiring was quickly solved. Ophile learned that Rylan claimed to have  
60 invented an algorithm that could predict stock market trends. A device that can predict market  
61 trends is the Holy Grail of investment banking. It is like cold fusion – lots of people claim that  
62 they have done it, but none could actually prove it. Shortly after graduation, I ran into Rylan at a  
63 party and asked her/him point blank how s/he did it. Rylan told me that s/he overheard some  
64 friends talking about fantasy baseball and said that s/he simply replaced baseball statistics with  
65 market conditions and in her/his words "voilà!" Now, I may be Australian, and that is certainly  
66 French, but everyone knew Rylan can't speak in statistics. Rylan called the formula the  
67 StockSnake, but the only thing slithery about it was her/him. The idea that Rylan could invent a  
68 complex algorithm was laughable. One of the first things I remember learning in Intro to Finance  
69 is that claims like Rylan's are the hallmark of Ponzi schemes.

70  
71 By the summer of 2008, Ophile and Rylan were assigned to manage one of the firm's major  
72 private investor accounts, a very wealthy cardiologist, Dr. Riverdale. Ophile worked on his  
73 account religiously. Though Ophile no longer needed to, s/he still asked me to review all her  
74 work reports and analyses so I became very familiar with the doctor's account. Ophile worked  
75 really hard to maintain the account balance while the market as a whole kept declining. Ophile  
76 was frustrated because Rylan did not pull her/his weight. Instead, Rylan spent all day at work  
77 searching the web for TV spoilers even though there was a strict policy at Alwinjo prohibiting  
78 personal use on work computers. I saw this first hand one day in August 2008 when I met  
79 Ophile at her/his office to go out for lunch.

80  
81 That day, the office was utter chaos. Legan Arabach, Ophile's boss, was a real piece of work. I  
82 watched as s/he scurried in and out of her/his office, darting from analyst to analyst. Legan  
83 would yell a string of obscenities at an analyst one moment, then in the blink of an eye, praise  
84 that same employee for something else. I was kind of hiding in the corner when I heard Legan  
85 threaten Ophile with not sponsoring the work visa if s/he didn't shape up. Yet a moment later,  
86 s/he praised Ophile for her/his "fabulous" charts. It looked like a classic case of manic  
87 depression, only the phases lasted minutes, not hours. I was struck that within this typhoon of  
88 activity, Rylan was sitting oblivious to it all, surfing the web, calm as the eye of the storm.

89  
90 Throughout August 2008, the market continued to weaken, and Ophile told me that Alwinjo  
91 announced new layoffs for the end of the month. Ophile was very concerned s/he might lose  
92 her/his job with it her/his chance for a work visa. I told Ophile that it was time to knock off the  
93 competition and tell the big boss about Rylan. The stakes were too high to remain quiet, so I  
94 came up with this great idea – Ophile needed to prove to Legan that Rylan was a fraud so  
95 Legan would fire her/him instead. I suggested Ophile install monitoring software on Rylan's  
96 computer to show how much net surfing Rylan did. Ophile loaded ScreenSpy onto Rylan's  
97 computer and a week later we had a mountain of screenshots to show Legan was breaking the  
98 rules. Unfortunately, things did not go as planned, and on August 18, Ophile came home  
99 hysterical after presenting the evidence to the boss. Ophile told me Legan didn't care that Rylan  
100 was surfing the web and instead threatened to fire Ophile for putting an unauthorized program  
101 onto Rylan's work station. Ophile was placed on probation and Legan again threatened to  
102 withhold the visa sponsorship because Ophile had "risked client data" by using spyware. Ophile  
103 cried about how Legan held her/his future in her/his hands. Ophile was so distraught that s/he

104 sent Legan a strange email that day and started packing for home. I even saw her/him take  
105 what looked like a green passport out of her/his fireproof box, but it couldn't have been, since  
106 Ophile's Turkish passports was blue and the green one didn't seem to have that crescent and  
107 star thing on it. The police took the box later but I don't think they found anything.  
108

109 Ophile's emotional state changed course again at the end of August. Ophile came home much  
110 less despondent. S/he said the planned layoff was cancelled. I asked why and s/he told me that  
111 Legan was going to start marketing the StockSnake software and thought it would make a lot of  
112 money for Alwinjo. Ophile also admitted s/he'd been pulled off of the doctor's account, which  
113 Legan had given to Rylan. Ophile was angry and jealous since Ophile had worked so hard to  
114 keep the doctor's account afloat while the market declined. S/he was very skeptical about  
115 Rylan's ability to do any better and kept an eye on the account which s/he could still view on  
116 her/his laptop, though s/he could not change the data. We both monitored the account  
117 expecting Rylan and StockSnake to fail miserably and cost the doctor a lot of money. Instead,  
118 what we saw made us suspect that Alwinjo was operating a Ponzi scheme through StockSnake.  
119

120 The term Ponzi scheme is named after Charles Ponzi, who defrauded thousands of investors in  
121 the 1920s. It's really nothing more than a confidence game. A crook entices a couple of  
122 investors at the beginning by promising to produce above-market returns in a short period of  
123 time. Usually, there's a hook, some kind of tale of a secret formula or magic kind of investment.  
124 The investors are initially suspicious, so they only invest a little. That's key, because it doesn't  
125 take much money to generate a return for them. For example, if an investor only puts in \$100,  
126 the crook can easily show a huge 25% return on investment by paying out \$25. In order to pay  
127 off the investor, the crook takes either some personal money or takes the cash from a second or  
128 third investor and uses it to pay the first one. The first investor is impressed, and is enticed to  
129 invest more. The crook then uses this new money to pay a big dividend to the second investor,  
130 and so forth. All the while, the crook is basically stealing the original investments. A Ponzi  
131 scheme can work for a while but eventually, one or more investors try to cash out. It's easier for  
132 the crook to pay out \$25, but getting the full \$100 to give back is harder. Because the crook has  
133 already spent or hidden the \$100, the crook has to find new investors to pay off old ones, but  
134 sooner or later the well of investors runs dry. The Ponzi scheme crashes down. Often, the crook  
135 is long gone before that happens.  
136

137 The Riverdale account appeared to me and Ophile as being involved in a Ponzi scheme. We  
138 saw that on August 26, 2008, \$100,000 was transferred from Riverdale's regular account to the  
139 StockSnake fund. Only one month later, on September 28, 2008, the StockSnake generated an  
140 incredible \$30,000 dividend, or 30%. That's a 360% rate of return, more than tripling, over the  
141 course of a year! The \$30,000 dividend was deposited in the Riverdale account and was  
142 annotated "StockSnake." Arabach must have been paying the initial investors great returns in  
143 order to reel them in. And it worked! On September 29, 2008, we saw that the entire value of  
144 Riverdale's account, \$5,000,000, was listed in the Riverdale account as being transferred to the  
145 StockSnake fund. However, there was no corresponding deposit listed in the StockSnake  
146 records. We couldn't fathom how *all* of Riverside's money had disappeared. We looked  
147 everywhere but never found it. While Ophile didn't have access to look through other investors'  
148 portfolios to see if Riverdale's \$5 million was provided to them as fake StockSnake dividends,  
149 that is probably what happened. I told Ophile that s/he should go right to the police, or even the  
150 SEC, but Ophile said if s/he blew the whistle, s/he blew her/his chance at a visa sponsorship.  
151

152 Anyway, Legan's Ponzi scheme would have succeeded if it weren't for the market crashing in  
153 October 2008. When the Dow Jones drops, investors get nervous and they want their funds  
154 cashed out. Ophile told me that Alwinjo was flooded with investor calls seeking to cash out but  
155 that Legan was ordering all the analysts to ignore their calls. S/he said the Firm was nuts.

156  
157 Things all came to a horrible conclusion on October 27, the last day I ever spent with Ophile.  
158 Ophile came home early from work in tears. S/he told me about a huge incident at the Firm.  
159 Ophile was inconsolable and barely understandable. S/He recounted that the cardiologist and  
160 his wife came in to the office that morning looking for answers. In front of the whole office,  
161 Legan admitted to him that his life's savings had vanished. I guess that Legan hadn't reeled in  
162 enough new investors to generate \$5 million and pay off the doctor. Legan pointed out Ophile  
163 and said s/he was the cause. Ophile said that the Riversides "stared daggers" at them both  
164 before storming out. Ophile was devastated at having been blamed for the fraud of others.

165  
166 Ophile was so upset s/he didn't want to wait to speak with Legan. At this point Ophile and I  
167 figured, s/he had nothing left to lose. The business was going to go bust and Ophile couldn't  
168 stand being labeled a scapegoat. It wasn't all about getting a visa anymore, it was a matter of  
169 honor. Legan worked late most evenings, so Ophile convinced me to drive her/him to the office  
170 right then and there. We got to the front of the building around 8:15 p.m. Ophile went in alone  
171 and entered through the front doors. The last thing s/he said to me was, "pick me up behind the  
172 building at the service entrance, in about 20 minutes, or I'll give you a ring." A short while later I  
173 saw a middle-aged woman enter the front of the building. I later identified her from a building  
174 surveillance photo police showed me. I was told she was the cardiologist's wife. There was no  
175 one else around because it was raining so heavily and the whole city was watching the Phillies  
176 try to clinch the World Series. Ophile never called, so I drove around to the back and pulled into  
177 the nearest spot, about 40 yards away. Around 8:30 p.m., I saw a person come out of the  
178 service entrance and walk away from me. I never saw a face but it definitely looked like Legan,  
179 who seemed frazzled. I called Ophile's cell phone, but it went straight to voicemail. By about  
180 9:30 p.m. I was really nervous, so I drove back around to the front, parked, and went up to the  
181 3rd floor, where Alwinjo's offices were located. The entire floor was dark, and I couldn't see any  
182 movement beyond the locked glass doors.

183  
184 I thought that maybe Ophile decided to make her/his own way home because the confrontation  
185 with Legan didn't go well, so I went home. I fell asleep on the couch waiting for Ophile. When I  
186 woke the next morning Ophile was still not there. I called the police and was told a person had  
187 to be missing 24 hours for them to investigate. I stayed home from classes that day, waiting for  
188 24 hours to pass. While watching TV, I saw a shocking report on Action News that the Riverdale  
189 committed suicide the previous evening. It was too strange to be coincidence. I called the police  
190 immediately and told them what I knew about the cardiologist's missing money and Ophile's  
191 disappearance from Alwinjo the night before. Detective Zene Gaffney quickly arrived and I told  
192 her/him everything. Gaffney took Ophile's computer with her/him.

193  
194 I called Ophile all the time over the next few weeks but s/he never answered. I held out hope for  
195 a long time that Ophile would turn up, but it's just not like Ophile to have disappeared. Any hope  
196 I had that Ophile is alive has completely faded. I know this country is based on capitalism, but  
197 sometimes greed can be too much. Ophile got caught in the middle of an American nightmare.

Shay Tinto

Signature  
Signed and Sworn to before me

April 27, 2009

DATE

Ryan Blazure

Ryan Blazure, Notary Public, Commonwealth of Pennsylvania  
My commission expires: **November 30, 2010**

## STATEMENT OF ZENE GAFFNEY

1 My name is Detective Zene Gaffney and I am 43 years old. I have been a member of the  
2 Philadelphia police force for the past twenty years after graduating with a bachelor's of science  
3 in criminal justice from St. Joseph's University in 1989. I made detective in 1999 after serving  
4 ten years as a patrol officer. My promotion to detective was delayed because of a mistake I  
5 made in 1993, when I first sat for the Detectives' exam. I cheated, and I was suspended without  
6 pay for two weeks and almost lost my job. It was a huge mistake, and I am blessed to have  
7 been given a second chance. That episode taught me that there are no shortcuts in life.

8  
9 For the past five years I've had the most "collars" of any detective in my squad, but I am not  
10 resting on my laurels. When I first became a cop, I had been trained in basic forensics, but I  
11 went further, reading about the basic science underlying the techniques, years before *CSI* made  
12 that stuff cool. After I made Sergeant, the Department sent me to an ATF training course on  
13 crime scene investigation, and I even took two weeks of extra leave so that I could spend time  
14 as a coroner's aide. Once I made detective, I saw that the Department was starting to invest  
15 more time in white collar crimes, so I started bulking up on finances, reading the *Market Street*  
16 *Journal* every day and stuff like that. I pulled a few strings and I was able to audit a couple of  
17 classes in forensic accounting at Temple. Although I investigate any crime I am assigned, I get  
18 particularly excited about working on big white collar crime cases. My goal is to become a  
19 department captain, and going after the big fish will certainly help me get there.

20  
21 I became involved in this case on October 28, 2008, when my captain sent me over on a  
22 missing persons claim to the Tinto/Sarat residence. My first impression was that this would be  
23 just another case of a drunken college student who had stumbled over to a friend's house after  
24 a long night at the bar. I remember being really impatient, since I had planned to be at Fickie  
25 and Cheet's Bar watching the conclusion of the suspended World Series game that evening.  
26 Fortunately, as I would soon discover, this would be the highest profile case of my career.

27  
28 I arrived at the home at 18:25 hours, or 6:25 p.m. Shay Tinto told me that her/his roommate  
29 Ophile Sarat, the victim, was an employee of Alwinjo Investments. As an avid business section  
30 reader, I knew Alwinjo was a prestigious old investment firm in the city that had been slowly  
31 declining since Legan Arabach took over from her/his father. Tinto provided me with pictures of  
32 Sarat and described her/him as being 5'8" and about 145 pounds.

33  
34 Shay Tinto recounted that the evening before, October 27, Sarat told Tinto that one of the firm's  
35 largest investors, a cardiologist and his wife, met Arabach in the Alwinjo office earlier that day  
36 and asked to see his portfolio. The cardiologist was a 64-year-old male named Dr. Donald  
37 Riverdale who, not coincidentally, would commit suicide later that night. According to Tinto,  
38 Arabach told Dr. Riverdale that all his money was gone – \$5 million total. Tinto then explained  
39 that s/he and Sarat had accessed Alwinjo accounts from their home and were aware of  
40 suspicious transactions within a program called StockSnake. They discovered that a \$5 million  
41 transfer from Riverdale's account into the StockSnake account had never been completed. They  
42 could not find the money anywhere! Tinto told me that that same night, October 27, Sarat had  
43 gone to confront Legan Arabach in her/his office about the discrepancy.

44  
45 Tinto said that s/he drove Sarat to the front of the Alwinjo office building, which Sarat entered  
46 around 20:15 hours. Tinto explained that s/he waited in the car at the front of the building during  
47 which time s/he saw a middle-aged Caucasian woman s/he did not recognize enter the building  
48 through the main entrance, at approximately 20:30 hours. After a while, Tinto drove near the  
49 back service entrance and from about 100 feet away, observed a "frazzled" looking person s/he  
50 thought to be Legan Arabach exit the building around 21:00 hours and walk in the opposite

51 direction, but s/he did admit it was dark outside and raining heavily. With Tinto's permission, I  
52 took Sarat's computer back to the station for some forensic analysis.

53  
54 I went back to the station and dumped the data from the hard drive onto a clean forensic  
55 system. I immediately noticed the irregularity in the Riverdale account that Shay Tinto  
56 mentioned. There was a \$5 million transfer out of Riverdale's account on September 29, 2008,  
57 but the recipient accounts were not listed. That, coupled with Tinto's story, was enough for  
58 probable cause, and I started the process to obtain a warrant to search Alwinjo's offices.  
59 Interestingly, I also noticed that day before, September 28, Arabach dumped \$500,000 of  
60 her/his own money in the StockSnake account. On October 29, I assembled a team of patrol  
61 officers and a couple of CSI agents to execute the warrant. We weren't equipped to look for  
62 evidence of financial fraud, and we focused our search on Sarat's disappearance.

63  
64 Before I had the CSI team sweep the premises, I asked Legan Arabach a few questions.  
65 Arabach was surprised by my presence and appeared very nervous. S/He escorted me into  
66 her/his office. I showed Arabach the warrant and explained that we were there to investigate  
67 Ophile Sarat's disappearance. I asked if s/he saw Sarat on the night of October 27. Arabach  
68 told me s/he attended Game 5 of the World Series, which had been suspended half way  
69 through by rain. Everyone knew you needed the original stub in order to get back into the  
70 stadium again for the game's conclusion. Arabach then handed over a ticket stub that s/he  
71 conveniently pulled from her/his pocket. Her/His hand was visibly shaking. I later verified with  
72 the Phillies organization that the ticket had been scanned in and was game-used for the first  
73 part of Game 5 on October 27.

74  
75 When I asked about Donald Riverdale's suicide, Legan expressed remorse but said this was not  
76 the first time an investor had taken his life after losing money. I inquired about the StockSnake  
77 fund and s/he said the algorithm upon which it was based was a trade secret and that s/he was  
78 not permitted to talk about clients' funds due to privacy issues. Arabach directed any further  
79 questions on those subjects to Alwinjo's legal counsel. However, Arabach did volunteer that  
80 Rylan Satterfield, an analyst at the firm, created the core algorithm for StockSnake and told me  
81 s/he relied completely on the program in authorizing all stock purchases and sales.

82  
83 I then turned my attention to Satterfield, who was more than willing to talk. I asked what s/he  
84 knew about Ophile Sarat and Satterfield launched into a rant about how Sarat was one of the  
85 most jealous people s/he ever encountered. Satterfield practically screamed that Sarat was so  
86 worried about getting a work visa that s/he would do anything, even blackmail, to take a job  
87 away from a U.S. worker. Satterfield defended StockSnake and boasted that it was a good  
88 program, though admitting s/he stumbled onto the algorithm by dumb luck.

89  
90 Satterfield was quite proud that StockSnake had saved Alwinjo from financial ruin earlier in  
91 fiscal year 2008. S/He explained that the program borrowed from Sabermetrics, which is used in  
92 baseball as a way to predict a player's performance. I was skeptical, but the data s/he showed  
93 me from the trial run made it seem plausible. Regarding the night of October 27, Satterfield told  
94 me that s/he was at the Phillies' game with Legan, but threw out the ticket stub. Satterfield said  
95 Arabach invited her/him to the game in order to clear the air after the blow up at the office earlier  
96 in the day when Dr. Riverdale came to the office looking for his money.

97  
98 After I finished with Satterfield, I brought the forensics team in, and together, we went to work.  
99 First, we scoured Arabach's personal office and found a number of incriminating items. In the  
100 middle of her/his desk, the team picked up an antique letter opener with red flecks of dried liquid  
101 towards its tip. I watched as the lead agent conducted a leucomalachite green (LMG) color test  
102 and confirmed it was blood. I bagged the letter opener to be sent to the labs for prints and blood

103 analysis. The CSI team also spotted a slight carpet discoloration. When we pulled the carpet  
104 back from the floor, we saw a large stain that appeared to be blood. Although most of the blood  
105 had been removed from the surface of the carpet, the padding underneath acted like a sponge,  
106 and it was still soaked.

107  
108 Our team was able to extract approximately 3.5 pints of blood from the carpet piece. In addition,  
109 some of the blood was drying or had dried and could not be extracted. Based on my years of  
110 experience and my continuing education classes, for that level of saturation to have occurred, in  
111 conjunction with the dried and drying blood, the individual might have lost as much as four or  
112 five pints of blood. The average human body contains between 8-10 pints of blood. A loss of  
113 four or more pints of blood is likely lead to death absent medical intervention.

114  
115 After the discovery of the blood, I walked out to Arabach and asked why there was blood on the  
116 letter opener and the floor. Arabach was taken aback, and s/he blurted out that s/he must have  
117 cut her/himself the other day opening mail. I asked to see her/his hands; there was no sign of  
118 any visible injury. Arabach's hands were shaking.

119  
120 My team also pulled the security camera footage from the night of October 27 through the  
121 morning of October 28. The video showed Arabach entering the building at the front lobby on  
122 October 27 at 7:09 hours and immediately going up an elevator from the ground floor to the 3<sup>rd</sup>  
123 floor. There is no footage of Arabach leaving or using the elevator at any other time that day.  
124 Arabach must have left the building using the stairs and exited through the service entrance,  
125 where there are no security cameras. Arabach is seen returning to the building October 28 at  
126 5:09 hours. The security footage also showed that Ophile Sarat entered the building lobby at  
127 20:20 on October 27 and that s/he used elevator car number 2 to go to the 3<sup>rd</sup> floor. There was  
128 no footage of Sarat leaving the premises on October 27 or 28.

129  
130 We did find footage of the woman Shay Tinto saw enter the building. S/he was identified later as  
131 Jane Riverdale, wife of Donald Riverdale. She entered the lobby area at 20:45 and exited it at  
132 21:45. Two days later, I questioned Ms. Riverdale about her visit to the office building so soon  
133 after she discovered her husband's body. Ms. Riverdale told me she was collecting some of her  
134 husband's favorite belongings from his office to bury them with him. The security camera  
135 footage showed her going to the 6<sup>th</sup> floor of the office building, which was where his office was.  
136 As part of my full review of the case, I obtained Riverdale's suicide note to see if there was  
137 anything that could shed light on my investigation of Sarat's disappearance. Besides blaming  
138 Arabach and Alwinjo for ruining his life, it didn't reveal anything of significance. I also read the  
139 coroner's report which indicated no foul play was suspected.

140  
141 The lab tests revealed significant results. DNA taken from Sarat's hair sample matched the DNA  
142 on both the blood on the letter opener and the blood from the carpet pad. The lab also reported  
143 that there was a match for prints found on the letter opener. One set of prints was a direct 18  
144 point match to Legan Arabach, who was in our system because of a 1988 drunk driving arrest.  
145 There was another set of prints on the blade itself, but they were too smudged to get an  
146 accurate reading. The lab tech told me those prints were most likely not Arabach's but they  
147 were too distorted to make any definite conclusions. My theory was that the letter opener was  
148 used to stab Sarat, most likely near a major artery, such as the carotid artery in the neck.

149  
150 I was fairly certain at this point that Sarat was dead, most probably the result of murder, and that  
151 Arabach was involved in Sarat's disappearance. The only problem was that we had no body.  
152 We turned over every rock looking for a body. We checked the usual places, dumpsters and so  
153 forth in and around Alwinjo offices and Arabach's home and beachfront vacation property in  
154 Cape May, N.J. We found nothing. My best guess is that Arabach removed the body out of the

155 service entrance and disposed of it somewhere, possibly in the Atlantic Ocean. Also, in the late  
156 90's, Alwinjo was rumored as the place for mobsters to go to invest and launder gambling  
157 money. Arabach no doubt had built up some mob connections, and mobsters are experts at  
158 making bodies disappear.

159  
160 In any event, just to be sure that Sarat did not simply depart the country, I checked with the  
161 Department of Homeland Security and was told that Ophile Sarat from Turkey had not left the  
162 U.S. We also monitored every account accessible to Sarat, including cell phone, bank accounts,  
163 credit cards and so forth. None showed any activity after 20:00 hours on October 27, 2008,  
164 except Sarat's cell phone, which showed several incoming calls that were unanswered.

165  
166 I knew that without a body, a case like this hinges on motive. Shay Tinto had already suggested  
167 a motive when I first interviewed her/him: Sarat might have been trying to expose Arabach's  
168 fraud against the StockSnake investors, including Dr. Riverdale. Sarat must have confronted  
169 Arabach about it on the night of October 27. I'll bet that Arabach panicked at the discovery of  
170 the StockSnake fraud and, facing a lifetime in federal prison, decided to kill Ophile Sarat with  
171 the letter opener in her/his office.

172  
173 I am convinced that Arabach's alibi about the Phillies game was a hastily concocted excuse, but  
174 we investigated it anyway. We checked all the video and news tape available but there were no  
175 good crowd views of Section 132, Row 33, Seat 15, where Arabach's seat was located. Also,  
176 there are no financial records showing that an Arabach purchased Phillies tickets that night, and  
177 it is illegal to scalp tickets. Every real fan would have wanted to be there. I know I did. In any  
178 event, there was no time confirmation for when the ticket was scanned so the ticket holder could  
179 have entered the ball game late. The game was not suspended until around 22:00 hours so  
180 Legan Arabach could have certainly stabbed the victim before 21:00 hours and then gotten to  
181 the Phillies game. It's just a short subway ride, fifteen minutes max, from the Alwinjo offices. Or  
182 Arabach could have bought the ticket afterward from someone who flew in for the game, but  
183 couldn't stay for two extra nights. Plenty of real fans must have flown in, expecting victory.

184  
185 I personally executed the arrest warrant for Legan Arabach at the Alwinjo offices on November  
186 5, 2008. News covered it. While I was cuffing Arabach, s/he kept asserting her/his innocence,  
187 repeating that the whole thing was just a simple accounting mistake and that it was "all that  
188 stupid immigrant's fault." S/he kept repeating that s/he was at the Phillies game and implored  
189 me to "ask Rylan, ask anyone!" Rylan watched the arrest and said nothing. I later learned that  
190 Arabach cut Jane Riverdale a personal check on November 3, 2008 for the missing \$5 million.  
191 Nice try, but money wasn't going to make this go away.

192  
193 As an aside, I handed over all of the financial data I recovered to the SEC, and the U.S.  
194 Attorneys' Office has filed a civil case alleging fraud at Alwinjo. In addition, I hear that Jane  
195 Riverdale is considering bringing a wrongful death suit against Alwinjo Investments. I am very  
196 proud to have been the lead investigator on the case that exposed Legan Arabach and Alwinjo.  
197 A collar of this magnitude proves that I am ready to be a captain.

Det. Zene Gaffney

Signature

Signed and Sworn to before me

April 28, 2009

DATE

Ryan Blazure

Ryan Blazure, Notary Public, Commonwealth of Pennsylvania  
My commission expires: **November 30, 2010**



## STATEMENT OF LEGAN ARABACH

1 My name is Legan Arabach and I am 52 years old and divorced. I am out on \$10 million bail and  
2 live alone in Meadowbrook, Pennsylvania, a suburb of Philadelphia. I would like to categorically  
3 state that I did not murder Ophile Sarat and that this whole thing is a huge misunderstanding. I  
4 am pretty sure I am being set up. I have never hurt anyone, and I have never defrauded any of  
5 the firm's investors. If anyone is a victim here, it's me. My company is in ruin: all of its assets are  
6 frozen pending the outcome of this case and some SEC investigation.

7  
8 I have been the managing partner of Alwinjo Investments, LLC since I took over the family  
9 business in 1993. Alwinjo was originally founded by my great grandfather, Alowishus Joseph  
10 Arabach, in 1919, right when the stock market was becoming an avenue for investment for the  
11 everyman. The firm flourished during the 1920s and one of our greatest claims to fame was how  
12 we were able to survive the Great Depression. Initially, I wanted nothing to do with the family  
13 business. I went to college at Penn State and majored in English. I wrote my thesis on the  
14 novels of Charles Dickens and his use of satire as social and political commentary. I focused on  
15 *Little Dorrit*, which dealt heavily with matters of finance. Reading that book made me realize that  
16 financial matters didn't have to be boring, and I recognized my calling, just as my father and  
17 grandfather had. When I graduated in 1979, I took a position as a junior analyst at Alwinjo.

18  
19 In 1982, I went back to school for two years at the Wharton School of Business and graduated  
20 with a master's degree in statistics to go with my M.B.A. Graduate school was a revelation and  
21 provided me with a fresh outlook. I started fooling around with the high risk, high reward world of  
22 so-called "junk" bonds. This investment vehicle is simply a high yield bond. If the companies  
23 succeed, their high yield makes them extremely profitable. I had a knack for predicting which of  
24 the few companies selling junk bonds would succeed and made a lot of money for the firm.  
25 Senior management recognized my talent and I was promoted through the ranks quickly.

26  
27 In 1993, I took over the management side of the family business and realized immediately that I  
28 needed to clean house if Alwinjo was to succeed in the new millennium. I removed all of the  
29 dead weight from firm; I think I let go over 100 employees. With the advent of computer  
30 technology, there just wasn't the need for slide rules anymore. By the time the dot.com era was  
31 in full swing, we were at the forefront of the hedge fund movement and money was rolling in.  
32 Unfortunately, I saw the bubble pop too late to get out, and when the market softened in 2001,  
33 Alwinjo's capital was so severely overextended that I had to impose a series of layoffs.

34  
35 Thereafter the market stayed pretty flat, flatter than we could afford, and by 2008, Alwinjo was  
36 stagnant at best and receding at worst. I worried constantly about the real possibility of having  
37 to sell the business or just closing the doors. Our best senior analysts were poached by stronger  
38 firms, and I decided to give it one more try, by bringing in new blood with fresh perspectives and  
39 next-generation computing experience into the firm. I greatly admired Drexel's up-and-coming  
40 business school and ended up hiring Ophile Sarat and Rylan Satterfield.

41  
42 Sarat was an immigrant from Turkey, and although s/he was not much for words, s/he had a  
43 sharp mind and a very high GPA. S/he had already been published in *Dorbes*, and had real  
44 talent for finding new investment avenues. Satterfield, by contrast, wasn't much of a thinker, but  
45 had a gift for communication and I knew, even though s/he was a bit of a sycophant, that Rylan  
46 would be great around the dinner table with clients and that her/his confidence would inspire  
47 investors. During her/his interview, s/he claimed to have invented an algorithm that could predict  
48 stock trends. It wasn't the first time that I had heard that kind of claim, and I was definitely  
49 skeptical, especially when Satterfield wasn't able to answer all my questions about the  
50 underlying statistical mechanics. Nevertheless, I saw great potential in Satterfield and decided

51 to roll the dice. Satterfield did disclose a cheating incident from her/his junior year, but I believe  
52 very strongly in second chances. I am a recovering alcoholic and was arrested for drunk driving  
53 in 1988. In any event, my new hires were like investments, Sarat was a sure and steady mutual  
54 fund and Satterfield my high risk junk bond.

55  
56 Sarat worked around the clock and came up with new ideas to generate profits by investing in  
57 Middle East markets. I had bigger plans for Satterfield; I needed Satterfield to test the stock  
58 predicting algorithm - which s/he named StockSnake - and confirm whether it worked and could  
59 be used as a marketing tool to generate new interest in the Firm. That was Satterfield's only  
60 charge; I didn't care what s/he did with the rest of her/his time.

61  
62 Unfortunately, I soon soured on Sarat. Though s/he was competent, s/he was concerned with  
63 one thing – getting a work visa. Sarat pestered me constantly about sponsorship. All new hires  
64 go through a six month trial period before their benefits plan kicks in fully, and I viewed the work  
65 visa in much the same way. I repeatedly told Sarat that I would sponsor her/him only after  
66 her/his trial period ended and only then if her/his work merited that kind of commitment. Maybe  
67 it was a language barrier thing, but I just couldn't get through to Sarat on this point.

68  
69 By August 2008, I had some tough decisions to make. The market was worsening, and I didn't  
70 see any relief in sight. Though Satterfield was showing good progress testing the StockSnake  
71 algorithm, it wasn't far enough along to verify the data through our regular independent auditor,  
72 Durst and Jung. It was thus with a heavy heart that I announced to the Firm that I would have to  
73 lay off employees at the end of August. I was going to have to fire about a quarter of my  
74 workforce, which was already quite lean at 80 employees. This was a very stressful time. I  
75 wasn't myself and became frantic, pressuring my analysts and looking over their shoulders all  
76 the time. In my heart, I knew the firm was dying.

77  
78 In the middle of this desperation, sometime in August, Sarat approached me and said s/he had  
79 something urgent to discuss and that it couldn't wait. I assumed it was about the work visa again  
80 but Sarat said it was about Satterfield. I reluctantly listened. Sarat produced a series of screen  
81 shots from Rylan's work computer. Sarat had installed spyware on the computer and captured  
82 images of Satterfield surfing the web instead of working. While I was looking through the screen  
83 shots, Sarat expectantly asked me what I was going to do since Satterfield violated the  
84 company rule against web surfing. I dismissively said I was going to do nothing; Satterfield was  
85 doing the job s/he'd been hired for. Surprisingly, Sarat threatened that if I didn't fire Satterfield  
86 and sponsor the work visa s/he was going to tell other employees what s/he had discovered. I  
87 was livid! I was not going to stand for some amateur blackmailing.

88  
89 I considered firing Sarat on the spot, but instead, I explained to Sarat that I was placing her/him  
90 on probation for violating company policy by installing unauthorized software on a work station  
91 and that one more infraction would lead to termination. I told Sarat I was removing her/him from  
92 the Riverdale account and was giving it solely to Satterfield. I also told Sarat I would reprimand  
93 Satterfield for surfing the web at work. Incredibly, Sarat threatened to sue me for Title VII  
94 national origin discrimination if I fired her/him. I took a deep breath and realized I had  
95 underestimated Sarat. Neither of us were happy, but we both walked away. Later that day,  
96 Sarat sent me a strange, quasi-threatening email. I don't remember ever seeing the message  
97 until the police showed it to me several days after my arrest.

98  
99 I got some good news, or so I thought, later that week. Satterfield came into my office and told  
100 me that during a retroactive test we based on market conditions from May 10, 2008 to July 17,  
101 2008, the StockSnake yielded a 27.94% return while the Dow Jones had lost 11.35% of its  
102 worth! Better yet, Satterfield had shown enough initiative to get a major accounting firm, Teloitte

103 & Mouche, to verify the StockSnake data and obtain a certificate of accuracy. This was an  
104 amazing result. After I looked through the results, I immediately called a staff meeting and  
105 announced that the layoffs were cancelled and that it was all due to Satterfield's hard work.  
106 Everyone erupted in cheers except for Sarat, who sulked in the corner.

107  
108 The next day I personally contacted our core group of investors, about ten individuals and  
109 institutions, including Donald Riverdale, and invited them to be part of the pilot group for the  
110 StockSnake program. Donald Riverdale was a long time investor whose cardiology practice  
111 occupied an office on the 6<sup>th</sup> floor of the same building. He was a very down to earth guy and  
112 we would go out to lunch from time to time. I never managed to get along with his wife, Jane,  
113 however, so we only remained friendly while at work and never socialized otherwise.

114  
115 After I showed the core investor group the data and the auditor's verification they all agreed to  
116 give it a go. Because this was our first time using the program, I insisted they invest modest  
117 amounts and I even invested my own money with them. Riverdale invested \$100,000 on August  
118 26. Though Satterfield and I had access to the algorithm and software, which were trade  
119 secrets, I had all StockSnake investments placed under Satterfield's direct control because I  
120 was not familiar with the inner workings of the software. I know from years of experience that to  
121 be successful, you have to find the right people and then let them do their jobs.

122  
123 The StockSnake program worked better than I could have been imagined. News of its success  
124 spread throughout the investment community. It was featured by *Fortitude* magazine as a  
125 possible revolution in the way investment and money management operated. On September 28,  
126 I was able to provide dividends of 30% returns to the pilot investor group! Because the money  
127 was all tied up in investments that had appreciated significantly, however, I chipped in some of  
128 my own funds to actually pay the dividend. Riverdale was so pleased by the extraordinary return  
129 that he placed his entire net worth, about \$5 million, into the StockSnake account on September  
130 29. I advised that it was too risky to go all in, but Riverdale insisted. Many investors followed suit  
131 and we got so much new interest, I considered hiring additional analysts.

132  
133 Unfortunately, not even the StockSnake could have predicted the bottom falling out from the  
134 market the following month. Just as quickly as we rose to the top of the investment world, we fell  
135 just as hard. Between October 1 and October 12, the market shed over 2000 points and panic  
136 set in. The StockSnake predictions were completely wrong, tying up our investors' funds in  
137 complex derivatives that were tanking even faster than the market. Investors were watching  
138 their life savings disappear and were calling Alwinjo left and right to get what money they had  
139 left out of their accounts. But we didn't have enough surplus capital to cover the clients.

140  
141 I was aware that if investors learned about our lack of capital, they'd call in the feds and we'd be  
142 shut down overnight, just like Oregon Mutual. I made the mistake of telling my analysts to not  
143 take calls from clients. I didn't know what else to do. Satterfield told me that the StockSnake just  
144 needed a couple of weeks to recover and liquidate the clients' assets. But I watched the market  
145 get worse each day, and I knew Alwinjo was in big trouble. On October 24, the market took  
146 another huge hit and I couldn't avoid the investors any longer. While I was in the middle of  
147 drafting an email that next Monday morning (October 27) to all StockSnake clients, Dr.  
148 Riverdale and his wife stormed into the office. He was livid and demanded to know the state of  
149 his finances. I escorted them to the conference room, called in Sarat and Satterfield and told the  
150 Riverdales that Sarat and Satterfield handled the account. I pulled up his electronic file. To my  
151 astonishment, I saw that he had nothing left in StockSnake. I told Donald his entire fortune was  
152 gone. Jane Riverdale stared down Sarat and Satterfield, who just shrugged their shoulders. Dr.  
153 Riverdale just stared at his shoes. They left without saying anything more.

154

155 I stayed in my office the rest of the day. I racked my brain for a solution. I prayed for divine  
156 intervention. None came. Around 6:30 p.m., Satterfield knocked on my door. S/He said s/he'd  
157 been given a pair of tickets to the World Series game and thought I should go. I am not a  
158 Phillies fan but sitting in the office wasn't going to solve anything, so I said yes. Satterfield pulled  
159 her/his car around to the service entrance and we left the building around 6:45 p.m. I should  
160 have said no. The weather was miserable and we spent most of our time in the concourse  
161 keeping dry. I left early and took the subway home, around 9:15 p.m.  
162

163 I got in to work early the next day. The market seemed to be rebounding a bit and with it my  
164 spirits. I noticed Sarat was not in the office and was glad to not have to deal with her/him. I still  
165 couldn't figure out what happened to Riverdale's account and was digging through StockSnake  
166 data when I saw in the Inquirer, to my horror, that overnight Dr. Riverdale had committed  
167 suicide. It was all too much to handle.  
168

169 Then things got even worse. On October 29, the police showed up at Alwinjo with a warrant to  
170 search the premises. I learned from Detective Gaffney that s/he was investigating the  
171 disappearance of Ophile Sarat, who was last seen entering the building on October 27. I hadn't  
172 noticed Sarat was out again, but I cooperated as best I could. I showed her/him my ticket stub  
173 from the World Series game as proof that I was not at the office the night Sarat supposedly  
174 disappeared. I remained outside my office while a CSI team swept the premises. Detective  
175 Gaffney later asked me why there was blood on the floor in my office and on my antique letter  
176 opener. I had no idea and was shocked by the question. I blurted out the first thing that came to  
177 my mind, that I must have cut myself opening the mail the day before. It wasn't true, but s/he  
178 caught me off guard. Gaffney asked to see my hands and I had no choice but to show them.  
179 S/He left the office, but I was afraid that it wasn't the last time I would see her/him.  
180

181 To distract myself, I tried again to figure out what happened to Riverdale's money. I ran through  
182 the files and quickly realized that StockSnake hadn't lost his money after all! Instead, the \$5  
183 million transfer got delayed in cyberspace and never moved into the StockSnake account.  
184 Instead of losing it all, Riverdale was actually saved from StockSnake's bad predictions! Rather  
185 than wait for the accountants to sort through the books, I immediately sent a personal check to  
186 Jane Riverdale for the entire amount with an apology and a brief explanation of what had  
187 occurred. I was heartsick over it, and it was the least I could do.  
188

189 I don't know what happened to Ophile Sarat. My best guess is that Sarat gained access to the  
190 StockSnake data from that spyware and misdirected money from StockSnake to some overseas  
191 account and faked her/his own disappearance. S/he was certainly bright enough to pull it off.  
192 And only Sarat could have placed her/his blood in my office and on a letter opener I never used.  
193 I kept my office unlocked in the evenings so the third shift cleaning crew could get in. I'm sure  
194 Sarat knew that; s/he had worked enough late nights. All of this because I wouldn't sponsor  
195 her/him for a work visa. Sarat is probably back in Turkey sitting on a beach somewhere living  
196 the good life with money s/he stole from Alwinjo and our investors.

Legan Arabach

Signature

Signed and Sworn to before me

April 27, 2009

DATE

Ryan Blazure

Ryan Blazure, Notary Public, Commonwealth of Pennsylvania

My commission expires: **November 30, 2010**

## STATEMENT OF RYLAN SATTERFIELD

1 My name is Rylan Satterfield and I am 24 years old. I live in a one-bedroom apartment in  
2 Atlantic City. I became unemployed after Alwinjo's assets were frozen as part of some federal  
3 investigation and am currently collecting unemployment benefits. I didn't really want to testify in  
4 this case when I got the subpoena, but after thinking about it for a while I knew it was the right  
5 thing to do. I have made mistakes in my life, but none is bigger than what I am about to  
6 describe. I cannot just sit back and let the public get the wrong impression about Legan  
7 Arabach. Legan is a good manager who tried to do right by her/his company. I want to set the  
8 record straight: there was no Ponzi scheme and therefore no reason for Legan to get rid of  
9 Ophile. It's really all my fault.

10  
11 I first met Ophile during our freshman year at Drexel. We were both finance majors, and we had  
12 a lot of core classes together. I never really paid Ophile much attention. S/he was just another  
13 rich foreigner taking advantage of our educational system and stealing an American job. I mean  
14 you could barely understand a word s/he said. I must admit that Ophile was really smart though  
15 and worked hard. For me, getting good grades was not important and I was a C student at best.  
16 There's no denying that I have an attractive personality, however, and I use it to my advantage.  
17 So much of the business world is about how you connect with people, not what you can do.

18  
19 Ophile and I were involved in an incident our junior year. I was skipping lots of classes and fell  
20 behind in advanced macroeconomics. Long story short, I copied Ophile's answers off the final  
21 exam. But s/he was more than willing to assist. In fact, s/he volunteered to write in extra big  
22 print. Anyway, I got busted and took an F for the class. I remember Ophile's roommate, Shay  
23 Tinto, who never liked me, laughing when my punishment was handed down by the disciplinary  
24 board. Shay yelled out, "serves you right for taking advantage of us immigrants!" Ophile didn't  
25 get in trouble for cheating though. S/he played the foreigner card to perfection.

26  
27 I tried to apply myself to college after that but all I seemed to do was procrastinate and party. On  
28 the other hand, I had gained expertise in making good first impressions and telling people what  
29 they wanted to hear. I had great externships because of my ability to make friends. I was  
30 confident I would land a good job when I graduated even though my grades were poor. Six  
31 months into my senior year, however, I hadn't gotten an interview. I knew I would have to do  
32 something extraordinary or else I would have to move back in with my parents. Panic set in.

33  
34 I thought I found the answer to my problems one night in March 2008, when I was at a party and  
35 I overheard a group of guys talking about fantasy baseball teams. Normally, I would just ignore  
36 those losers, but they were bragging about how they were using math, something called  
37 Sabermetrics, to predict player performance. I have never been a baseball fan, but it sounded  
38 cool, especially since they were making money doing it. I jumped in the conversation and as  
39 always, I made friends. Sabermetrics was far more intense than batting and earned run  
40 average; they had complex algorithms that factored in every stat imaginable. I had them email  
41 me what they were using the following week and experimented with market indicators like the  
42 profit earnings ratio to come up with a statistic I called the "stock profit average," or SPA. The  
43 higher the SPA, the greater potential for return. I calculated the SPA for about 20 medium cap  
44 stocks and then invested \$100 in the one that had the highest average, this new public  
45 company called Plane's Park & Polish (NASDAQ: PPP). It actually worked! Late in March, the  
46 company got some good legal news and by April, PPP stock soared 35%. I was shocked, but  
47 sometimes it's better to be lucky than good. And the luck kept coming: later that week I got a  
48 call from Legan Arabach, the managing partner of Alwinjo Investments, for an interview.

49  
50 I decided the only way to land the Alwinjo job was to market myself as a stock psychic. I  
51 consulted with a friend in marketing and we decided to name the program StockSnake because

52 it slithered through data to find the best results. When I interviewed with Legan, I quickly  
53 directed the conversation away from my grades and to my algorithm and my plans for the  
54 StockSnake software. Legan was surprisingly interested, and the more I boasted and inflated  
55 the results from my experimentation, the more her/his face lit up. I was reading her/him like a  
56 book. Legan asked to see a copy of my data. I presented the hastily assembled results from the  
57 PPP experiment and a couple of made-up tests. Legan reviewed the data then demanded to  
58 see my source code. I played it cool, telling her/him that it was proprietary but that I'd show  
59 her/him a section of it. I handed over everything I pulled together for the SPA and crossed my  
60 fingers. I was convinced someone as experienced as Legan would quickly realize my algorithm  
61 was completely arbitrary. S/he started asking questions that I couldn't answer. I was nervous.

62  
63 But then, out of nowhere, Legan's eyes got wide and s/he smiled and congratulated me on  
64 becoming the newest analyst at Alwinjo Investments. Legan told me that s/he was not hiring me  
65 into a normal analyst role, but that my sole function was to create the StockSnake software, run  
66 a few tests and get the results verified by an auditor so that it could be marketed to the firm's  
67 current and prospective clients. Legan said s/he didn't really care what I did with my time as  
68 long as I got results. I was ecstatic – I didn't have to move into my parent's house! But later that  
69 night, after celebrating with friends, reality set in; I'd made promises I knew were hard to keep.

70  
71 Then I heard that Ophile was also hired by Alwinjo. This really frightened me. I was hoping that  
72 no one else from Drexel worked there because I didn't want my poor school performance  
73 following me; I wanted a fresh start. This was especially true for Ophile, because ever since the  
74 whole macroeconomics scandal went down, Ophile was out to get me. S/he even used to tell  
75 professors when I showed up late for class!.

76  
77 I started at Alwinjo in May and quickly fell into old habits. The more I wanted to work, the harder  
78 it became for me to perform. I would spend entire days surfing the web. Ophile sat in the cube  
79 across from mine and was on to me. I started to feel really guilty especially when Legan would  
80 say stuff like, "the firm's counting on you," and "the StockSnake will save the company." Toward  
81 the middle of June, I tried to express to Legan my lack of progress creating the software and my  
82 fear that it wouldn't work. Legan responded by hiring a software company to help turn my  
83 algorithm into a working automated software program. On the other hand, Legan was not so  
84 generous with Ophile because Ophile kept pestering Legan about sponsoring her/him for that  
85 stupid work visa. Regardless, it made things even worse between Ophile and me.

86  
87 With the assistance of the software company, the StockSnake program was fully operational by  
88 early July and I was ready to run the test that might decide Alwinjo's fate. I created a fictitious  
89 mutual fund that would have all buy and sell order decisions made solely by the software. I  
90 started the test run retroactively on May 10 and then had it set to run live for the week of July 13  
91 to 17. The StockSnake was a complete flop. Not only did the program fail to deliver a profit, it  
92 lost 25% of its worth over the trial period, while the Dow was only down 12%. I was a fraud, and  
93 my game was up. I had no clue what to do. But, like I had done over and over in my life, I  
94 decided to ignore the problem, break out my pearly whites, and tell the world that all was okay.

95  
96 Over the next two weeks, I dodged Legan as much as I could. I would say stuff like, "don't worry  
97 boss, big results are on their way soon," or "just waiting for the audit to be finished." Meanwhile,  
98 I did nothing but surf the web day after day. I didn't even care if Ophile noticed. In some ways, I  
99 think I wanted to be caught. I guess Legan finally got tired of waiting for me to produce and  
100 during our staff meeting on August 4, announced that due to the stagnant economy and  
101 dwindling profits, s/he would have lay off 25% of Alwinjo staff. I thought for sure I was  
102 expendable and would be cut loose.

103 To make matters worse, about a week later, Ophile told me that s/he installed spyware on my  
104 computer and had proof to show Legan how little work I did. Ophile threatened that if I didn't quit  
105 right there and then, s/he was telling Legan. I called her/his bluff and waited for the hammer to  
106 come down. That afternoon I saw Ophile hanging around Legan's office. I knew time was  
107 running short and I needed to take drastic action if I wanted to protect my job.

108  
109 Now, what I am about to relate is something that I have never told anyone else, including  
110 Legan. It's something that my lawyer advised never to talk about because it could have really  
111 bad consequences for me should the SEC get involved. I was told I should plead the Fifth if I  
112 didn't want to go to jail. But, like I said earlier, I want to come clean as much for Legan as for  
113 myself, my conscience, and my soul. As you can tell, this is really hard for me. Okay – here it is.

114  
115 This was sometime in mid-August and I was at home that night and remembered a good friend  
116 from high school who worked for the big accounting firm, Teloitte & Mouche. I confessed that I  
117 was in big trouble and needed guidance on how to verify the results of some tests that I ran or  
118 else I would be fired. My friend felt bad for me and agreed to risk her own job if I promised to  
119 pay her \$10,000. I stayed up all night and reverse-engineered some faulty data that made  
120 StockSnake look like a huge success. It was easy. Because all of the transactions were in the  
121 past, I just changed the StockSnake results to make better "predictions," ones I knew had come  
122 true. The next morning, I emptied my savings account, obtained a money order and sent it and  
123 the data over to my friend. A week later, I had a Teloitte & Mouche certificate of accuracy.

124  
125 I debated whether or not to take the doctored data and fraudulent certificate of accuracy to  
126 Legan. Legan had been absolutely manic over the past few weeks trying to figure out how to  
127 save the Firm. S/he was definitely not her/himself. I felt really bad for her/him – the family  
128 business was failing. Ophile was also acting strange. S/He no longer had that smug look on  
129 her/his face like s/he was holding something over me. I figured that things didn't go so well  
130 when s/he confronted Legan about my slacking. Legan was being especially hard on Ophile as  
131 well. I didn't feel bad for her/him at all. Actually, it made me smile a bit.

132  
133 I ultimately decided that should get my \$10K worth. I adjusted my attitude right then and with as  
134 much confidence as I could muster, showed Legan the audited financial report on the  
135 StockSnake test run. Legan practically burst into song when I informed her/him of the results,  
136 and literally jumped up and down when I told her/him that the StockSnake was a confirmed  
137 success. I was worried that Legan would be suspicious that I had not used the auditor Alwinjo  
138 had on retainer. I was also concerned that Legan would notice that the companies I included in  
139 the test run were way different than the ones I told her/him I was using a few months back. But  
140 Legan didn't even give the report a second glance. Instead, s/he ran out of the office and called  
141 an emergency staff meeting. In front of everyone, Legan told the office that I was a hero and  
142 that because of my hard work, the Firm had been saved. The layoffs were cancelled and, I was  
143 once again the most popular person around. Ophile was left sulking in the corner.

144  
145 Before I knew it, Legan called in a group of our top investors and convinced them to invest in  
146 the StockSnake fund. I was placed in charge of over \$2 million of investor money. I was terrified  
147 because I knew the program was bogus and I don't really pay attention to the market that much.  
148 But, like I said, sometimes it's better to be lucky than good. I ran the money through the  
149 software and voilà, it worked. Well, I am pretty sure it worked. It was a lot of money, and I was  
150 confused by the data, but I gave it to Legan, and he was able to sort through it all in just a few  
151 minutes. Legan really is a genius with numbers! Turns out, in just one month, our investors  
152 obtained an amazing 30% profit in StockSnake at a time when the market was losing ground.  
153 StockSnake became famous within the financial community and soon everyone wanted a piece.

154 My success made Ophile angrier. S/he was still working through the night and beating the  
155 market by a few points but no one was paying attention to those small potatoes.

156  
157 By the end of September, I was in charge of \$40 million. It was so much money, I couldn't keep  
158 track of it, and Legan kept getting new investors! Legan relied on me like I was a seasoned  
159 expert, but in reality I was more like a karaoke singer than a rock star. I was constantly panicked  
160 because I knew the StockSnake was bound to fail. The end came swiftly. In October, the market  
161 crashed and pandemonium broke out. Our investors were burning up the phone lines  
162 demanding updates on their accounts. Because we were guarding StockSnake like a trade  
163 secret, Legan told us not to talk to them. I was right in the middle of a huge mess.

164  
165 The balloon finally burst on October 27 when one of the firm's key investors, Dr. Donald  
166 Riverdale, and his wife Jane, came by the office looking for answers. Legan called me to the  
167 office and pulled up his account information. I couldn't believe it, but it was all gone – over \$5  
168 million dollars was just plain missing. I knew StockSnake was bad, but I still can't believe it ate  
169 up the entire \$5 million! I watched as Legan told Dr. Riverdale the money was gone. Legan  
170 pointed to Ophile, of all people, and said "I should have never trusted that foreigner to manage  
171 your money." Jane Riverdale stared at Ophile for an uncomfortable moment while the doctor  
172 stared off in the distance in disbelief. They left without saying a word and I quickly ran into my  
173 cube to retrieve the Teloitte and Mouche certificate of accuracy. I tore it up and flushed it.

174  
175 As soon as the Riverdales left, Legan went into her/his office, poured her/himself a shot glass of  
176 something and shut the door. By 6:30 p.m., everyone was gone. I felt bad for Legan and  
177 knocked on the door and invited her/him to the Phillies game. It was such a crazy day that I  
178 don't exactly remember who gave me the tickets but I think it was one of the StockSnake  
179 clients. I am also not sure why I told Detective Gaffney that Legan invited me to the game. I  
180 guess I was just really confused at the time. I didn't even keep my ticket stub. The weather was  
181 awful that night we both left before the game was suspended, before 10 p.m. I drove home and  
182 Legan took the subway. Anyway, the important thing is we were both at the game together the  
183 night Ophile disappeared.

184  
185 I would bet that Ophile set up the entire thing. S/He had no chance of getting a work visa since  
186 Alwinjo was going down the tubes, so s/he was headed home anyway. Ophile probably  
187 obtained access codes to the investors in the StockSnake accounts from putting the spyware on  
188 my computer. I think it's likely s/he's responsible for the missing \$5 million. Ophile was very  
189 smart and very petty and it was certainly within her/his character to have framed Legan just to  
190 get revenge. The only mistake Legan made was trusting me – a complete and utter fraud with  
191 the thousand watt smile. I know I have said a lot of stuff here that will most likely get me in a ton  
192 of trouble, but I don't have anything to lose. For the first time in my life, I realize that the truth  
193 actually does matter.

*Rylan Satterfield*

Signature

Signed and Sworn to before me

*April 28, 2009*

DATE

*Ryan Blazure*

Ryan Blazure, Notary Public, Commonwealth of Pennsylvania  
My commission expires: **November 30, 2010**



## **Exhibit List**

- Exhibit 1: Dow Jones trends
- Exhibit 2: StockSnake marketing material
- Exhibit 3: Letter opener found by police in Legan Arabach's office
- Exhibit 4: DNA test results
- Exhibit 5: Photo of Legan Arabach's office marking location of blood pooling
- Exhibit 6: Game-used Phillies ticket from October 27, 2008
- Exhibit 7: Security footage of Jane Riverdale entering office October 27, 2008
- Exhibit 8: Donald S. Riverdale suicide note
- Exhibit 9: Letter from Legan Arabach to Jane Riverdale with check
- Exhibit 10: Email from Ophile Sarat to Legan Arabach
- Exhibit 11: Email received by Rylan Satterfield from Teloitte & Mouche employee
- Exhibit 12: Arabach wire transfer to StockSnake account

# Exhibit 1

Dow Jones: 05.19.2008 – 05.18.2009

Dow Jones Industrial Average (^DJI)

More On ^DJI

Quotes  
Summary  
Components  
Options  
Historical Prices

Charts  
Interactive  
Basic Chart  
Basic Tech. Analysis

News & Info  
Headlines



Dow Jones 09.18.2008 – 11.18.2008

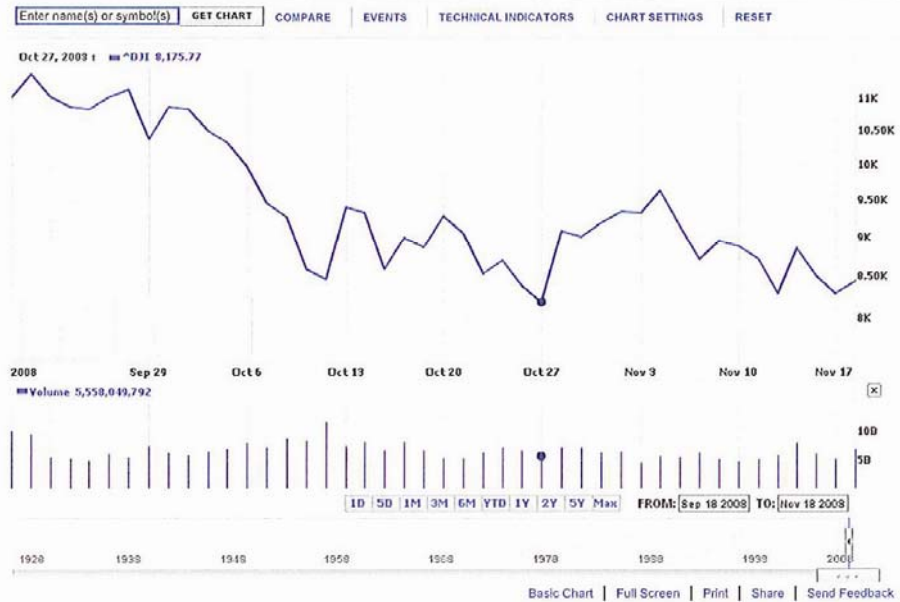
Dow Jones Industrial Average (^DJI)

More On ^DJI

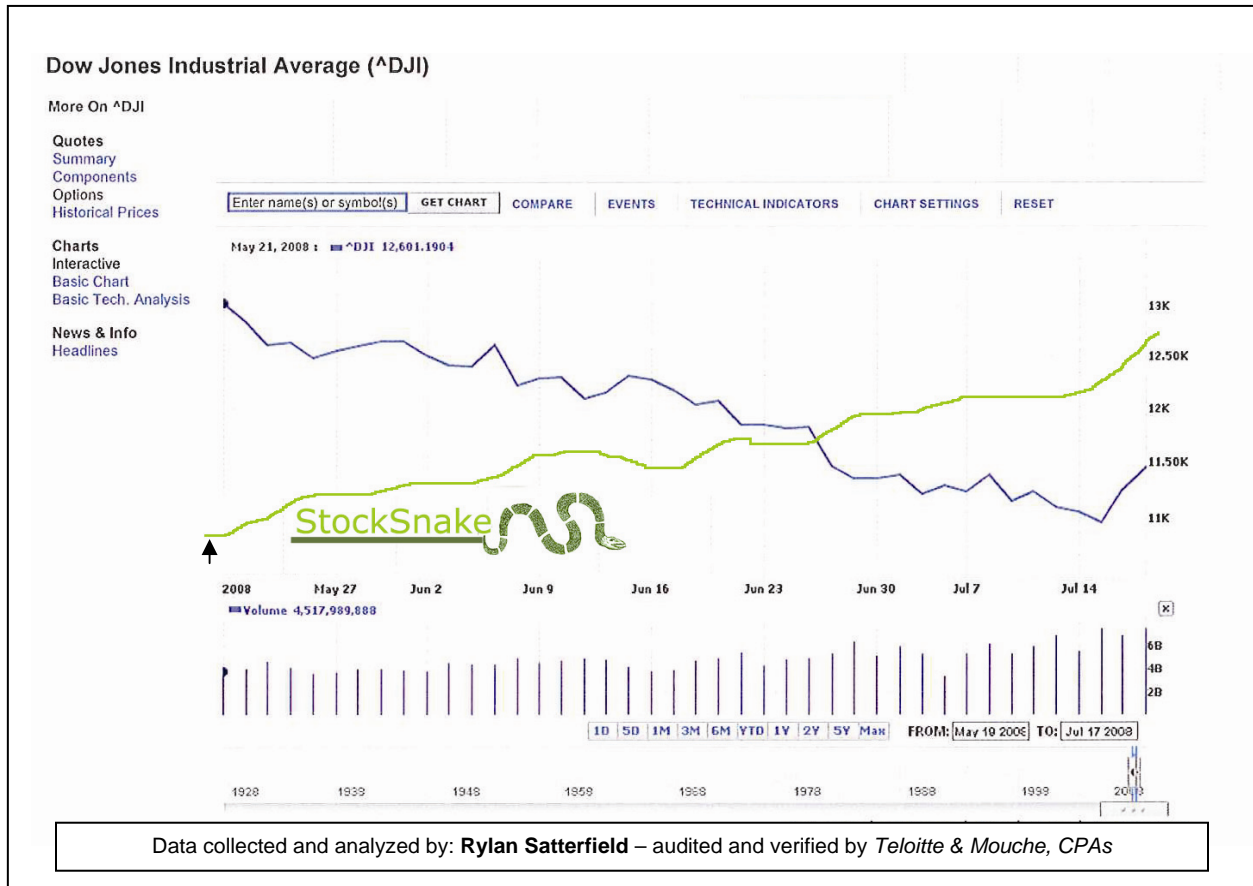
Quotes  
Summary  
Components  
Options  
Historical Prices

Charts  
Interactive  
Basic Chart  
Basic Tech. Analysis

News & Info  
Headlines



## Exhibit 2



### Investigation Period: May 10, 2008 – July 17, 2008

- Dow Jones
  - Start: 12,745.88
  - Finish: 11,446.66
  - % Change: **<11.35%>**
- **StockSnake Composite Investment Hedge Fund (CIHF)**
  - Start: 10,056.33
  - Finish: 12,866.98
  - % Change: **27.94%**

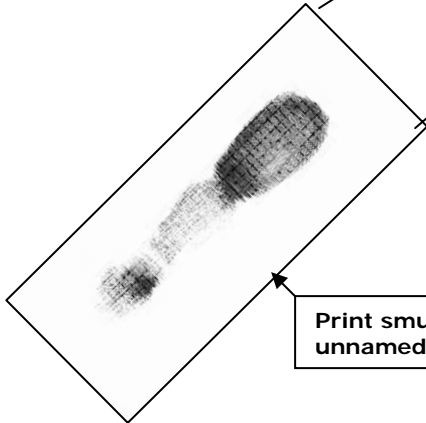
# Exhibit 3

**Independence Lab**



Licensed by the  
Philadelphia Police Department

Legan Aracback – 18 pt match



Print smudged – unidentifiable  
unnamed / unknown party

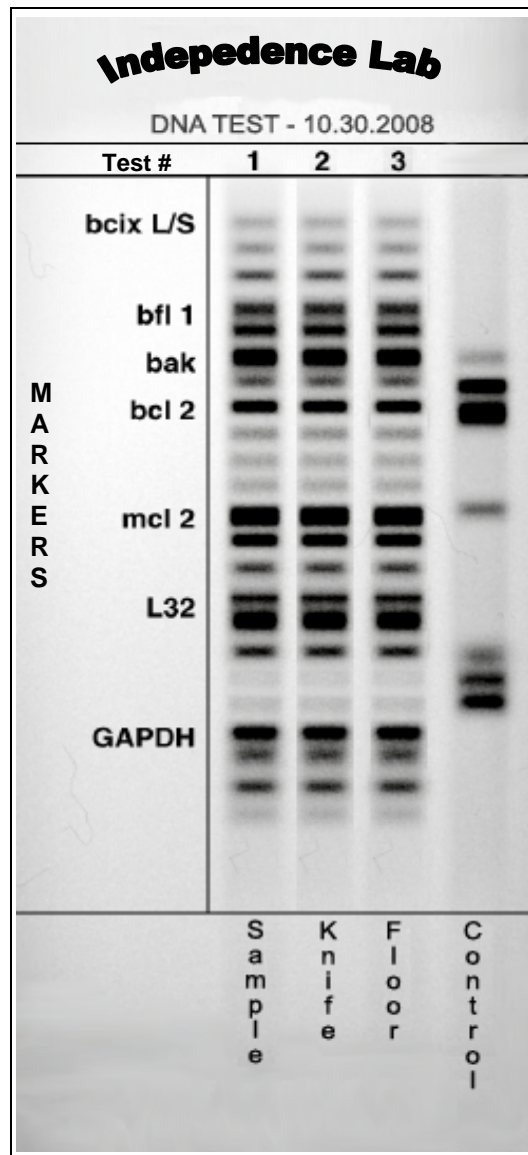
Trace Blood Found –

**DNA Match – Ophile Sarat**  
*See separate report*

*Notes:*

- *Prints not enlarged to scale*
- *Location is accurately reflected*

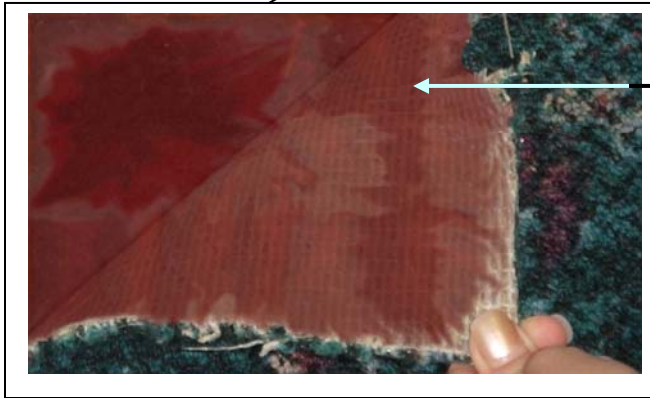
# Exhibit 4



## TEST SUMMARY

- **Test 1:** Sample of Ophile Sarat's hair from brush
- **Test 2:** Trace blood found on letter opener ("knife")
- **Test 3:** Blood found on Legan Arabach's office floor
- **Control:** Sample #7934 – uncontaminated human blood
  
- **Test 1, 2, 3: 99.978% match**

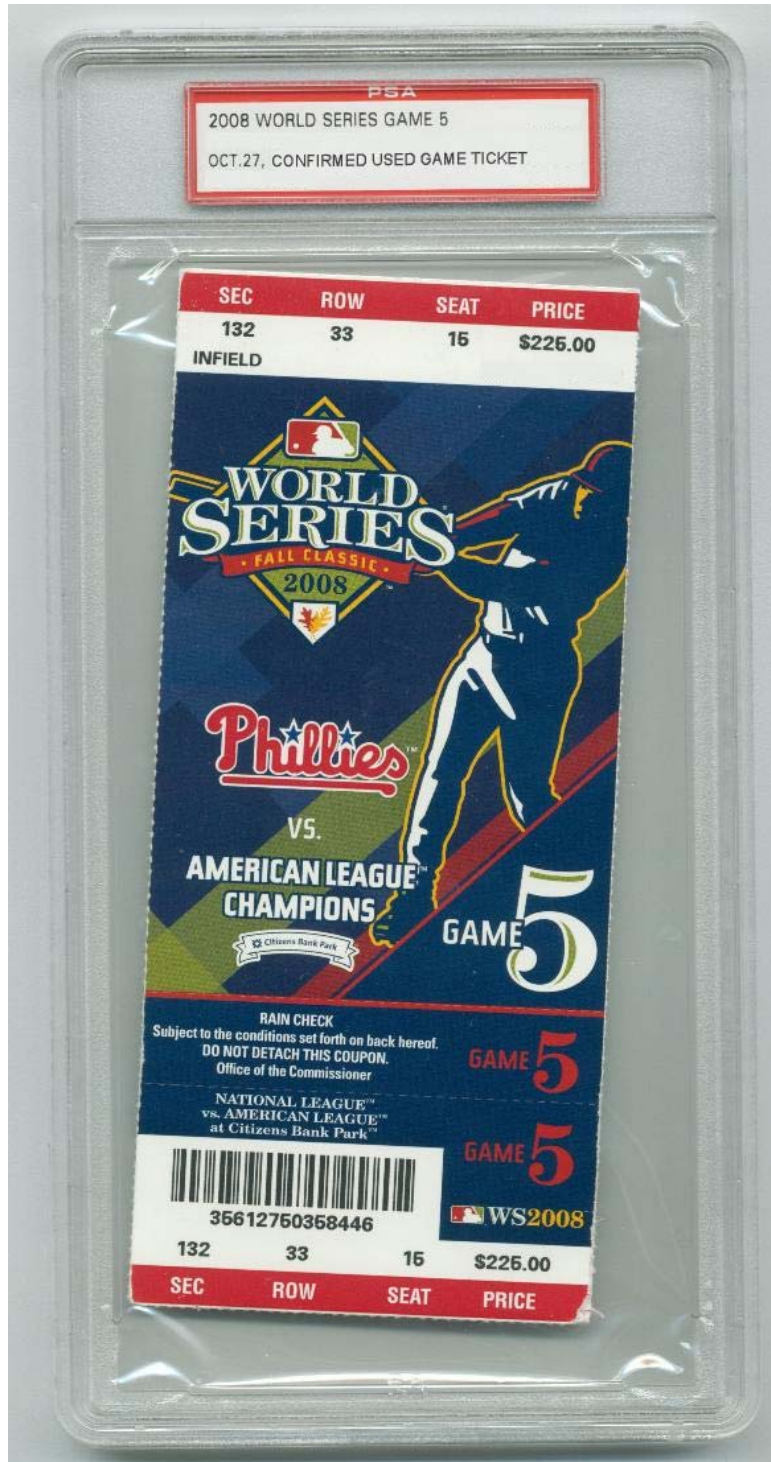
# Exhibit 5



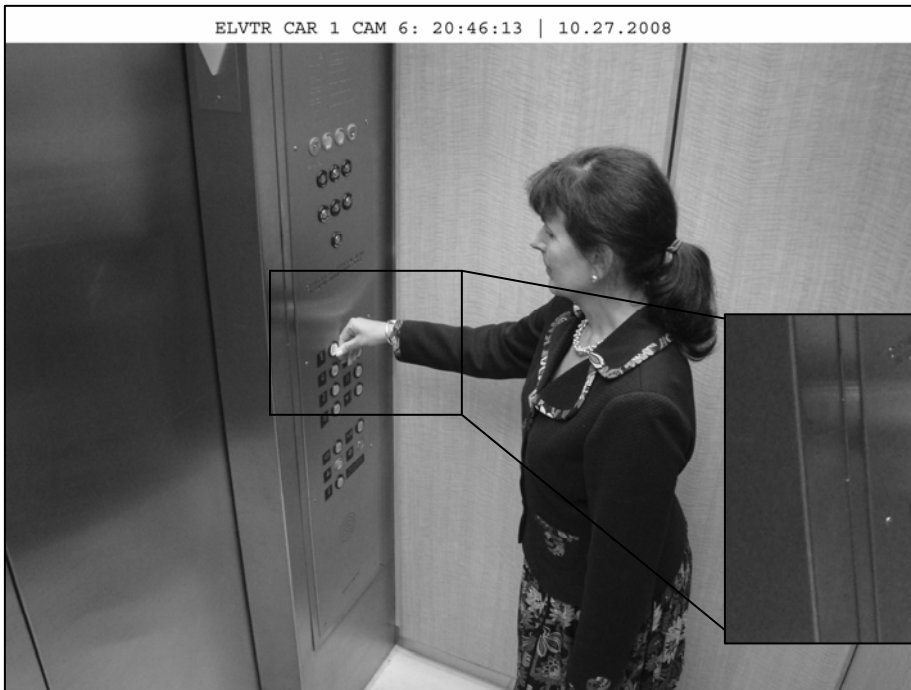
**Blood Pooling Area  
Confirmed:**  
Leucomalachite green (LMG) color test  
**DNA Match:** Ophile Sarat

**10.30.08: Blood Extracted from Carpet:**  
1.66 liters

# Exhibit 6



# Exhibit 7





## Exhibit 8

### From the desk of Donald S. Riverdale

10.24.2008

MY DEAR JANE -

THE LAST FEW WEEKS HAVE BEEN THE HARDEST OF MY LIFE. EVERYTHING WE WORKED SO HARD FOR - FOR SO VERY MANY DECADES IS GONE - ALL OF IT! EVERY LAST CENT TAKEN BY THE GREED THAT LIES SO DEEP IN ALL OF US - AND SO OBVIOUSLY IN ME. I CAN'T BEGIN TO TELL YOU HOW SORRY I AM FOR RUINING YOUR LIFE!

I SHOULD NEVER HAVE TRUSTED LESAN → SOME PROMISES ARE TOO BIG AND CAN NEVER BE FULFILLED. I LET ALWINO ROLL THE DICE WITH OUR LIVES AND WE LOST. I AM LOST, I CAN NO LONGER WORK, I CAN NO LONGER LOVE. I CAN NO LONGER LIVE. FORGIVE ME IN YOUR HEART IF YOU CAN. DON'T BLAME YOURSELF FOR THIS IS SOMETHING ONLY I COULD CONTROL AND I LOST IT. I LOST IT ALL!

LOVE,

DONNY  
20

# Exhibit 9



67 S. 6<sup>th</sup> Street 3<sup>rd</sup> Floor | Philadelphia, Pennsylvania 19106 | 215.555.5005 | www.alwinjo.com

November 3, 2008

## Via Federal Express

Mrs. Jane Riverdale  
202 West Washington Square. Apt. 1307  
Philadelphia, Pa 19106

**Re: Riverdale Accounting Error | Acct No. 128921**

Dear Mrs. Riverdale:

First, let me express my condolences regarding the loss of your husband. The stock market over the past few weeks has been volatile, to say the least, and the fallout has caused tremendous stress for everyone. I had known your husband for years, with his office being a few floors above mine. He was more than just a client, he was also a friend. He generally had a very pleasant disposition and was always willing to take time for anyone who needed his assistance. I cannot even begin to imagine the pain you and your family are experiencing.

The reason for my letter is that we have realized an accounting error regarding your husband's account. On October 27, 2008, I informed him that his entire portfolio, \$5,000,000.00, had been lost in the recent market crash. I am pleased to inform you that this was an erroneous conclusion. Between the overwhelming success of our StockSnake software and, with it, the increased investments placed with Alwinjo, in combination with the immediate and dramatic downturn in the economy, our financial records became corrupted. As a result, the \$5,000,000.00 your husband had transferred to the StockSnake fund on September 29, 2008 was never actually deposited in that fund.

While we continue to sort through our financial records, in light of the fact of your family situation, I wanted to immediately provide you with this money. Therefore, please find enclosed a check in the amount of \$5,000,000.00 from my personal account. I know that money must be the furthest thing from your mind right now, but I felt it was of the utmost importance to correct this unintentional error.

Best regards,

*Legan Arabach*

Legan Arabach  
President

Enclosure

1091

Legan Arabach  
1810 Jody Road  
Meadowbrook, PA 19046

DATE November 3, 2008

PAY TO THE  
ORDER OF Jane Riverdale

\$ 5,000,000.00

Five Million Dollars and zero cents XXX, DOLLARS



FOR Accounting Error

Legan Arabach

|: 85932435 |: 29466638421 12 || : 1091

*Note: check is not original size. Enlarged for demonstrative purposes.*

## Exhibit 10


Q-Mail

Q-Mail

<b>From:</b>	<a href="mailto:osarat@gmail.com">osarat@gmail.com</a>
<b>To:</b>	<legan.arabach@alwinjo.com>
<b>Subject:</b>	Further to discussion
<b>Date:</b>	Mon, 18 August 2008 4:04:54 p.m.

Dear most honorable Legan:

Please if you will continue to patronize me, you will be very upset. I demand your respect.

Best regards,

Ophile

*(Exhibit amended 12/3/09)*

# Exhibit 11

  
  
**Q-Mail**

Q-Mail

<b>From:</b>	<a href="mailto:HShelpinghand@gmail.com">HShelpinghand@gmail.com</a>
<b>To:</b>	<rhinosat@gmail.com>
<b>Subject:</b>	You owe me big time still
<b>Date:</b>	Sun, 24 August 2008 4:04:54 p.m.
<b>Attachments:</b>	StockSnake.pdf; StockSnake.exl; Teloitte&Mouche_certificate_of_accuracy.pdf

Yo Rylan,

It's sorted. See attached. Do not reply to this email – I am deactivating it ... way too risky. I suggest you get rid of this gmail account as well. I should have asked for \$20k. Good luck with it.

~T

# Exhibit 12



Secured By:



- Make Transfer
- View Status
- Change Settings
- My Account

[Home](#) | [FAQ](#) | [logout](#)

**Account Transfer Successful: Please Print this Confirmation for you Records**

Reference No.:	2008.09.28.0659	Recipient:	AlwinjoStockSnake
Account No.:	998431344309	Account No.:	2009*****1
Sender's Name:	Legan Arabach		
Total Amount:	\$500 000.00		
Debit Date:	Sept. 28, 2008	Delivery Date:	Sept. 28, 2008
Delivery:	Credit to Account		