



Neutral Citation Number: [2019] EWHC 48 (QB)

Case No: HQ18M00776

IN THE HIGH COURT OF JUSTICE
QUEEN'S BENCH DIVISION
MEDIA AND COMMUNICATIONS LIST

Royal Courts of Justice
Strand, London, WC2A 2LL

Date: 18 January 2019

Before :

THE HONOURABLE MR JUSTICE NICKLIN

Between :

Panagiotis Koutsogiannis

Claimant

- and -

The Random House Group Limited

Defendant

Justin Rushbrooke QC and Julian Santos (instructed by **Harbottle & Lewis LLP**)
for the **Claimant**

Alexandra Marzec (instructed by **Simons Muirhead & Burton LLP**)
for the **Defendant**

Hearing date: 12 December 2018

Approved Judgment

I direct that pursuant to CPR PD 39A para 6.1 no official shorthand note shall be taken of this Judgment and that copies of this version as handed down may be treated as authentic.

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THE HONOURABLE MR JUSTICE NICKLIN

The Honourable Mr Justice Nicklin :

1. This libel action arises from publication, in 2017, of a book titled “*The Spider Network*” by the Defendant (“the Book”). The author was David Enrich, Financial Enterprise Editor of the *Wall Street Journal*. The Book concerned the infamous Libor ‘rigging’ scandal. On the front cover of the Book, potential readers were told it was, “*The Wild Story Of A Maths Genius, A Gang Of Backstabbing Bankers, And One Of The Greatest Scams In Financial History*”.
2. The Claimant has spent a career working in banking. He joined UBS Investment Bank (“UBS”) as an interest rate derivative trader. From around January 1999 to August 2012, the Claimant held the post of Global Head of Cross Currency Basis Swap Trading at UBS.
3. The Claim Form was issued on 28 February 2018. The Amended Particulars of Claim were served on 20 March 2018. Paragraph 3 contained the words selected for complaint by the Claimant. They are set out in the Appendix to this judgment.
4. The Claimant contends the words complained of bear the following defamatory meanings:
 - i) the Claimant as part of a gang of back-stabbing bankers and one of the greatest scams in financial history, dishonestly and criminally conspired with other employees of UBS to skew, rig and/or manipulate Libor (the London Inter-bank Offered Rate) on a plentiful number of occasions, in order to benefit his own trading positions and thus benefit financially, defrauding a very large number of normal people with mortgages, car loans or credit card bills, pension funds, municipalities and corporate bodies in the process, and depriving them of money that was rightfully theirs;
 - ii) as a result of such misconduct, the Claimant was investigated and banned by the UK Financial Regulator, the Financial Conduct Authority (“FCA”), from performing any influential role in the British financial industry because he was dishonest and lacked integrity, his punishment later being vacated on appeal owing to an odd system for handling appeals; and
 - iii) also as a result of such misconduct, the Claimant was fired by his employer UBS.
5. On 20 June 2018, Deputy Master Bard ordered the trial of the following preliminary issues:
 - i) what meaning the words complained of bear; and
 - ii) insofar as the words complained of referred to the Claimant, whether those words, or any of them, were a statement of opinion.
6. No defence has yet been filed, but the Defendant has set out a statement of its case on the preliminary issues. In summary, the Defendant contends:
 - i) the words complained of do not bear, would not be understood to bear and are not capable of bearing the Claimant’s meanings;

- ii) in order to ascertain the proper meaning to be attributed to the words complained of they must be read in the context of the Book as a whole;
 - iii) specifically, as to context, the Court should have regard to further passages of the Book (which I have set out in italics in the Appendix); and
 - iv) many of the passages complained of by the Claimant do not refer to him either expressly or implicitly.
7. In consequence, the Defendant contends that, when read in their proper context of the Book as a whole, the passages selected for complaint by the Claimant meant that:
- “the Claimant was involved in a network of collusive behaviour, whereby he, along with many other traders, brokers and bank employees all over the world, deliberately tried to nudge Libor to positions beneficial to their own or their employers’ trading positions.”
8. The Defendant’s primary submission is that the words complained of bear no other imputation defamatory of the Claimant. In the event that the Court were to find further defamatory imputations critical of the Claimant’s conduct suggesting, for example, that he had behaved “*improperly and/or immorally and/or unethically*” then the Defendant contends that such imputations would be understood by readers to be expressions of opinion.
9. This is the judgment following the trial of these preliminary issues.

Meaning: The Law

10. There has been no dispute as to the legal principles. They are well-established and very familiar.
11. The Court’s task is to determine the single natural and ordinary meaning of the words complained of, which is the meaning that the hypothetical reasonable reader would understand the words bear. It is well recognised that there is an artificiality in this process because individual readers may understand words in different ways: *Slim -v- Daily Telegraph Ltd* [1968] 2 QB 157, 173D–E, *per* Lord Diplock.
12. The following key principles can be distilled from the authorities: see e.g. *Slim -v- Daily Telegraph Ltd* 175F; *Charleston -v- News Group Newspapers Ltd* [1995] 2 AC 65, 70; *Gillick -v- Brook Advisory Centres* [2002] EWCA Civ 1263 [7]; *Charman -v- Orion Publishing Co Ltd* [2005] EWHC 2187 (QB) [8]-[13]; *Jeynes -v- News Magazines Ltd & Anor* [2008] EWCA Civ 130 [14]; *Doyle -v- Smith* [2018] EWHC 2935 [54]-[56]; *Lord McAlpine of West Green -v- Bercow* [2013] EWHC 1342 (QB) [66]; *Simpson -v- MGN Ltd* [2016] EMLR 26 [15]; *Bukovsky -v- Crown Prosecution Service* [2017] EWCA 1529 [2018] 1 WLR 18; *Brown -v- Bower* [2017] 4 WLR 197 [10]-[16] and *Sube -v- News Group Newspapers Ltd* [2018] EWHC 1234 (QB) [20]:
- i) The governing principle is reasonableness.
 - ii) The intention of the publisher is irrelevant.

- iii) The hypothetical reasonable reader is not naïve but he is not unduly suspicious. He can read between the lines. He can read in an implication more readily than a lawyer and may indulge in a certain amount of loose thinking but he must be treated as being a man who is not avid for scandal and someone who does not, and should not, select one bad meaning where other non-defamatory meanings are available. A reader who always adopts a bad meaning where a less serious or non-defamatory meaning is available is not reasonable: s/he is avid for scandal. But always to adopt the less derogatory meaning would also be unreasonable: it would be naïve.
- iv) Over-elaborate analysis should be avoided and the court should certainly not take a too literal approach to the task.
- v) Consequently, a judge providing written reasons for conclusions on meaning should not fall into the trap of conducting too detailed an analysis of the various passages relied on by the respective parties.
- vi) Any meaning that emerges as the produce of some strained, or forced, or utterly unreasonable interpretation should be rejected.
- vii) It follows that it is not enough to say that by some person or another the words might be understood in a defamatory sense.
- viii) The publication must be read as a whole, and any ‘bane and antidote’ taken together. Sometimes, the context will clothe the words in a more serious defamatory meaning (for example the classic “rogues' gallery” case). In other cases, the context will weaken (even extinguish altogether) the defamatory meaning that the words would bear if they were read in isolation (e.g. bane and antidote cases).
- ix) In order to determine the natural and ordinary meaning of the statement of which the claimant complains, it is necessary to take into account the context in which it appeared and the mode of publication.
- x) No evidence, beyond publication complained of, is admissible in determining the natural and ordinary meaning.
- xi) The hypothetical reader is taken to be representative of those who would read the publication in question. The court can take judicial notice of facts which are common knowledge, but should beware of reliance on impressionistic assessments of the characteristics of a publication's readership.
- xii) Judges should have regard to the impression the article has made upon them themselves in considering what impact it would have made on the hypothetical reasonable reader.
- xiii) In determining the single meaning, the court is free to choose the correct meaning; it is not bound by the meanings advanced by the parties (save that it cannot find a meaning that is more injurious than the claimant's pleaded meaning).

13. As to the *Chase* levels of meaning, see ***Brown -v- Bower*** [17]:

They come from the decision of Brooke LJ in ***Chase -v- News Group Newspapers Ltd*** [2003] EMLR 11 [45] in which he identified three types of defamatory allegation: broadly, (1) the claimant is guilty of the act; (2) reasonable grounds to suspect that the claimant is guilty of the act; and (3) grounds to investigate whether the claimant has committed the act. In the lexicon of defamation, these have come to be known as the *Chase* levels. Reflecting the almost infinite capacity for subtle differences in meaning, they are not a straitjacket forcing the court to select one of these prescribed levels of meaning, but they are a helpful shorthand. In ***Charman -v- Orion Publishing Group Ltd***, for example, Gray J found a meaning of “*cogent grounds to suspect*” [58].

14. Context is particularly important when the words complained of are part of a book. The ordinary reasonable reader is taken to have read the whole of the book: ***Brown -v- Bower*** [10]. Specific guidance in relation to ascertaining the meaning of a book was provided by Gray J in ***Charman -v- Orion***:

[11] It appears to me to be particularly important where, as here, a judge is providing written reasons for his conclusion as to the meaning to be attributed to the words sued on, that he should not fall into the trap of conducting an over-elaborate analysis of the various passages relied on by the respective protagonists. The parties are entitled to a reasoned judgment but that does not mean that the court should overlook the fact that it is ultimately a question of the meaning which would be put on the words of the book by the ordinary reasonable reader. Such a hypothetical reader is assumed not to be a lawyer. He or she is very unlikely to read the whole book in a single sitting or to compare one passage with another or to focus on particular phrases. The exercise is essentially one of ascertaining the broad impression made on the hypothetical reader by the book taken as a whole.

[12] A feature of the present dispute on meaning is that each side has pointed to different passages in the book which it maintains is supportive of its case as to the degree of seriousness of the libel. That is commonplace and legitimate. It is well established that the tribunal of fact, whether judge or jury, must take the bane and antidote of the publication together: see ***Chalmers -v- Payne*** (1835) 2 Cr M&R 156 at 159. As Lord Nicholls pointed out in ***Charleston -v- News Group Newspapers*** at 73–74, there is an artificiality about this approach since, especially in the case of a book, not all readers will read it from cover to cover. It is, however, clear from that and earlier authorities that the publication must be taken as a whole.

15. Finally, in relation to this case, it is necessary to have regard to the ‘repetition rule’ (see ***Brown -v- Bower*** [19]-[32]): namely that where an allegation by a third party is repeated by the defendant, the words must be interpreted by reference to the underlying allegations of fact. Context nevertheless remains critical: ***Brown -v- Bower*** [29].

Fact and Opinion: The Law

16. Again, there is no dispute as to the principles to be applied. Drawn from *Grech -v- Odhams Press* [1958] 2 QB 75; *Branson -v- Bower* [2001] EMLR 32; *Lowe -v- Associated Newspapers Ltd* [2007] QB 580; *Joseph -v- Spiller* [2011] 1 AC 852; *British Chiropractic Association -v- Singh* [2011] 1 WLR 133; *Yeo -v- Times Newspapers Limited* [2015] 1 WLR 971 [88]-[89]; *Wasserman -v- Freilich* [2016] EWHC 312 (QB); *Morgan -v- Associated Newspapers Limited* [2018] EWHC 1850 (QB) [13]; and *Zarb-Cousin -v- Association of British Bookmakers* [2018] EWHC 2240 (QB), when determining whether the words complained of contain allegations of fact or opinion, the Court will be guided by the following points:
- i) The statement must be recognisable as comment, as distinct from an imputation of fact.
 - ii) Opinion is something which is or can reasonably be inferred to be a deduction, inference, conclusion, criticism, remark, observation, etc.
 - iii) The ultimate question is how the word would strike the ordinary reasonable reader. The subject matter and context of the words may be an important indicator of whether they are fact or opinion.
 - iv) Some statements which are, by their nature and appearance opinion, are nevertheless treated as statements of fact where, for instance, the opinion implies that a claimant has done something but does not indicate what that something is, i.e. the statement is a bare comment.
 - v) Whether an allegation that someone has acted “dishonestly” or “criminally” is an allegation of fact or expression of opinion will very much depend upon context. There is no fixed rule that a statement that someone has been dishonest must be treated as an allegation of fact.
17. I would also note here what I said recently in *Tinkler -v- Ferguson* [2018] EWHC 3563 (QB) [37] about implied or inferred expression of opinion:

“... a number of adjectives and adverbs have been inserted into the Claimant's meaning which are not part of the natural and ordinary meaning of the words. They are strained constructions of what is being said in the [publication]. For example, if an individual reader thought that the Claimant's alleged behaviour was ‘selfish’, that would be a personal judgment made by the individual reader. It is neither stated nor implied in the text. Such inferential meanings (that depend upon - and vary between - each individual reader's moral judgment) are not part of the natural and ordinary meaning of words: *Brown -v- Bower* [54]. In context, a suggestion that the conduct of the Claimant was ‘selfish’ would be an expression of an opinion. If such an opinion is expressly stated by the author, then it can readily be identified as such by readers. I find the notion of an ‘inferred opinion’ conceptually difficult. I suppose it is conceivable that an article may not make express an author's view, but it nevertheless emerges clearly as a result of discernible indications in the text as to what his or her opinion actually is on the given facts. But this is very subjective; and it may be difficult to separate out those cases from cases where what is really happening is simply that the reader is supplying his or her own judgment on the stated facts rather than detecting the author's opinion by implication.”

Parties' Submissions

18. I will summarise the parties' submissions briefly in order to avoid the trap of over analysing particular passages of the Book relied upon by each party.
19. The thrust of Mr Rushbrooke QC's submissions on behalf of the Claimant is that the Book is telling the tale of the Libor 'rigging' scandal. Unequivocally, readers get the message that this was an enormous 'scam', practised by a "*gang of backstabbing bankers*". The Claimant is implicated, clearly, as one of those that was a party to the scam in the passage on pp.146-147. As a result, he contends that the Book, as a whole, bears the meaning that the Claimant had dishonestly and criminally conspired with other employees to "*skew, rig and/or manipulate*" Libor and, in consequence, had defrauded a very large number of people. That is the essence of the first of the Claimant's meanings. The second and third meanings, he submits, arise from the passages on p.403. Apart from the main character, Tom Hayes, the Claimant was the only person, he submits, who is identified as having been sacked for his role in the Libor scandal.
20. As to fact or opinion, Mr Rushbrooke QC submits that the Book would have appeared clearly to readers as an accurate, factual, comprehensively researched and authoritative account of the Libor scandal. He argues that the elements of dishonesty and criminality in the Claimant's first meaning are factual. There is no room for a finding that the allegations against the Claimant were expressions of opinion. They were, he contends, imputations of very serious misconduct involving dishonesty on the Claimant's part that was of the same kind that had led to the conviction of Tom Hayes for conspiracy to defraud.
21. Ms Marzec, for the Defendant, contends, however, that when read as a whole, the Book is not alleging that the Claimant is guilty of any crime or that he was dishonest. In particular, she refers to what she argues is significant antidote of the finding of the Financial Conduct Authority ("FCA") in the Claimant's appeal (p.403) that he "*did not behave dishonestly or without integrity in making requests for submissions within what he understood to be an acceptable range*" and the express reference to his "*exoneration*" by the FCA on p.438. Ms Marzec argues that the Claimant's approach to meaning is simplistic; it lumps together all the characters who participated in the Libor manipulation and suggests that they are all branded "criminals". The narrative of the Book is more discriminating and the story more complicated than this simplistic approach. The Claimant's role was limited to attempting to influence UBS' Libor submissions in directions that would be beneficial to his own trading positions. Tom Hayes' behaviour went well beyond his own bank: he was attempting to manipulate the Libor rate through numerous other channels.
22. As to opinion, Ms Marzec submits that the Book is a mixture of factual allegations, authorial opinion and reports of the opinions of others. The passages that the Defendant contends are expressions of opinion are shown underlined in the Appendix. However, none of these includes an express criticism of the Claimant by the author. Any reader who understood the Book to criticise the Claimant's behaviour as unethical or improper would recognise these as expressions of opinion. She submits, however, that the Book does not contain that express criticism by the author. The Book leaves it for the reader to decide the level of culpability of the characters implicated in the scandal, including the Claimant.

Decision

23. I read the whole Book in advance of the hearing. Deliberately, as is my practice, I did not look at the parties' rival contentions as to meaning until I had read the publication. The only difference between my reading of the Book and that of an ordinary reader was that I knew the identity of the Claimant and my copy of the Book had the passages complained of by the Claimant underlined. That did not interfere with my understanding of the broad message and themes in the Book and, in some respects, it was convenient to have those passages identified. If that had not been done, I would almost certainly have had to have gone back to consider the specific passages that were complained about, but then I would have been looking at them out of their proper context and not reading them as an ordinary reader would.
24. I told the parties my conclusion as to the overall message conveyed by the Book at the commencement of the hearing. There was no doubt that the message was that the Libor manipulation had been an international scandal that potentially affected millions of ordinary people whose borrowing was fixed to the Libor rate. It was a practice that was widespread amongst banks and went undetected because of lax regulation and poor understanding as to how the rate was calculated. The practice flourished because of greed: from the individuals who rigged the rate and the personal profits they made right through to the banks whose profits benefited from the manipulation of the rate. Certainly, in the mind of the main character, Tom Hayes, he made no connection (until his trial) between his activities and the potential impact it had on ordinary people. He saw it as a victimless activity; the Book regularly reminded readers it was not.
25. I considered that the Book was very much divided into two parts. The first part set out how Libor was rigged and by whom. Undoubtedly, the story revolves around Tom Hayes. But the narrative places him within a structure, with the people whom he recruited to assist with manipulating the rate from both within his own bank and externally and the people who were his superiors; the men who were desperate to keep Tom Hayes and who paid (or promised) him increasingly large bonuses because of his importance to their bank.
26. The second part of the Book concentrates on Tom Hayes' fall, culminating in his conviction at Southwark Crown Court for conspiracy to defraud and jailing for 14 years (reduced to 11 years on appeal). Although the banks tried to portray Hayes as a rogue element in an effort to distance and protect themselves, the Book leaves readers with a clear impression that this was institutional manipulation on a massive scale, in which Tom Hayes happened to be just one – albeit a very skilled and successful - practitioner. Up to the point of his arrest, the reader is likely to have had little or no sympathy for Hayes, but thereafter the Book very much leaves it to readers to reach their own conclusions. Some may have thought that Hayes got what he deserved: a substantial prison sentence. Equally, readers could come away with the impression that there were many others who were just as culpable than Hayes (possibly more so) and who probably ought to have been standing trial with him. Hayes' conviction was contrasted in the Book with the subsequent (and, to the SFO, unexpected) acquittal of six brokers. Was it right that Hayes should be the only one 'carrying the can'? Did he deserve the exemplary sentence he received? Should he have been convicted at all? Was what he had done "dishonest"?

27. To a lawyer, the answer is obvious. Hayes was a criminal, convicted of conspiracy to defraud, i.e. dishonesty, for his role in the Libor rigging. His guilt and conviction are matters of historical fact. However, each reader could finish reading the Book and take a different view as to who were the “criminals” in the Libor scandal. In argument, I raised the example of a book group being set the Book to read and the discussion that could be imagined between the members of the group. The likely range of views as to who was “culpable” or “criminal” is not the pluralistic range of meanings from which the law plucks the single ‘correct’ meaning. The *reaction* of an individual to a publication can vary significantly depending on his/her own views and morality. The law has to be careful not to absorb these subjective reactions to the text into the objective assessment of its meaning.
28. I could not detect from the Book whether the author, in the end, felt any sympathy for Hayes. Nor could I clearly identify his opinion of Hayes and the others involved in the Libor manipulation. I could discern a clear contempt for the institutions and the senior executives who had been so keen to retain the services of Hayes, none of which the author (it appeared to me) thought had properly been held to account. The author’s view that the Libor rigging was not victimless comes across clearly. As regards the Claimant, the author does not make express his view or opinion of him or his involvement in the Libor scandal. What is stated specifically about the Claimant in the Book is presented as factual.
29. As I read on in the Book, after the reference to the Claimant on p.295, I wondered whether he would feature again. He was not a central character. He did not work with Hayes and his activities were limited to attempting to influence his own bank’s Libor submissions. His importance to the narrative, however, becomes obvious when he does reappear. On p.403, the reader learns that the Claimant had been sacked for his Libor activities, but his subsequent acquittal of dishonesty or acting without integrity by the FCA raises the question in the reader’s mind whether tinkering with the Libor rate was dishonest. Up to this point, the reader would almost certainly have concluded that Libor rigging was wrong and should have been against the law, but as the Book had noted earlier, in the footnote on p.316 and again on p.374, it was not, at the time, a specific criminal offence. As a result, against Hayes the prosecution had to rely upon charges of conspiracy to defraud, which required proof that what he had done was dishonest. This then forms one of the main themes carried forward in the second part of the Book’s narrative about Hayes’ trial: had he actually been dishonest? And on that issue, his autism had a potential bearing. The Book portrays as a major setback for Hayes the refusal of the trial judge to allow into evidence details of the Claimant’s exoneration by the FCA and the finding that he had not been dishonest (pp.411 and 438).
30. In these six preceding paragraphs, I have tried to capture my overall impression of the message conveyed by the Book and the specific references to the Claimant in that message. It is the summary I would have given if someone had asked me to give a précis of the Book. Save for locating page references for specific points, I have done this without referring back to, or re-reading, the text. In that way, I think I have avoided the trap of being too analytical.
31. Having set that context, I can now state my conclusion as to the meaning of the Book insofar as it concerns the Claimant. In my judgment, the meaning advanced by the Defendant largely captures the sting of what is being alleged against the Claimant.

However, the Defendant's meaning lacks what I consider to be an important element: the consequences of manipulation of the Libor rate.

32. I reject several parts of the Claimant's pleaded meaning for the following reasons:
- i) The elements of the Claimant's first meaning that include the words "*greatest scams in criminal history*", "*dishonestly*" and "*criminally*" are, in context, value judgments. They are not expressed by the author as his opinion of the Claimant. If a reader concluded that the activities of the Claimant as described in the Book deserved the description "*dishonest*" and/or "*criminal*", then that would be the reader's own conclusion or judgment. These words are not part of the natural and ordinary meaning. I would reject, in any event, the submission that, because Hayes was convicted of criminal offences, all those who were involved in Libor manipulation were also equally "*criminals*" (in the literal sense meaning guilty of a criminal offence). That is too simplistic, and it is not the message conveyed by the Book as a whole. The coherence of that message is also undermined, in any event, by the acquittal of the six brokers.
 - ii) The second meaning is impermissible in form as a breach of the repetition rule. What the FCA concluded or stated about the Claimant's conduct is not relevant. It is upon the underlying facts that the meaning must focus: cf. ***Miah -v- BBC [2018] EWHC 1054 (QB)*** [37]-[38].
 - iii) Substantially the same flaw is repeated by the third meaning. It is tantamount to a statement that UBS had concluded that the Claimant was guilty of the stated misconduct and had dismissed him. The dismissal on its own would not be defamatory; it is the cause of the dismissal which supplies the defamatory sting. The form in which this is advanced in the meaning is a breach of the repetition rule.
33. The defamatory meaning I find that the Book bears in relation to the Claimant is:
- "The Claimant was involved in a network of collusive behaviour, whereby he, along with many other traders, brokers and bank employees all over the world, deliberately tried to manipulate the Libor rate to the benefit of his own or his employers' trading positions but to the potential detriment of a very large number of people and entities including those who paid more than they should have done for financial products or services that were linked to the Libor rate."
34. This meaning is factual and not an expression of opinion. The Book does contain expressions of opinion (and the Defendant has correctly identified a number of instances in the underlined passages), but as regards the Claimant, the message in the Book is not an expression of opinion. As I have noted above, the Book contains a distinct factual account of the Claimant's Libor activities. The author does not express an opinion on those activities, beyond the overall theme that the Libor rigging was wrong and not victimless.
35. I have tried to capture in the meaning the element of the detrimental consequences of the Libor manipulation but not limited the meaning to the specific example of detriment. The Book gives some examples of those who lost out (see the references to investments made by pension funds in pp.109-110) but necessarily these are not

exhaustive. Whether and to what extent any individual lost money would depend upon his/her particular circumstances and the nature of the investment.

Appendix

- (A) The words complained of from the Book, as pleaded in Paragraph 3 of the Particulars of Claim, are set out below (with page numbers from the Book in square brackets).
- (B) For context the Claimant also relies upon the front cover of the Book that included a number of drawings, including: a forearm and hand ‘pinching’ the letter ‘o’ from the word “*History*” in the Book’s title, using its thumb and index finger; and a large stack of £20 notes next to the word “*Scams*”.
- (C) The italicised words in the passages below are specifically relied upon for context by the Defendant (see [6(iii)] of the judgment).
- (D) In addition to the words included on the front cover of the Book (see [1] of the judgment), the Defendant contends that the underlined words in the passages below would have been understood by readers to be an expression of opinion (the opinion of whom depends on the context).
- (E) Footnotes from the original text are indicated with an asterisk and the text set out underneath the relevant section in which the footnote appeared.
- (F) Additional extracts or words shown in square brackets have been inserted by me to provide additional context.

“PART I – The Scam” [p.7]

“From the start, though, Libor was prone to problems. Chief among those was the potential for banks to manipulate it for their own benefit. Doing that was alarmingly easy. ... Virtually all it took for a bank to skew Libor was for it to skew its own submission. ... Banks had multiple incentives to push or pull Libor. ... Another enticement for banks to tinker with Libor was to increase the value of the vast portfolios of derivatives that the banks’ traders were sitting on at any given time. Those positions could incentivise a bank to move Libor higher or lower – or both, in the frequent event that different traders at the same bank had amassed different positions. It all depended on what their traders had recently bought or sold”. [pp.70-71]

“The implications of this were potentially enormous. It meant that there was a possibility that the interest rates on everything from mortgages and credit card bills to enormous corporate loans could be based on flawed data. If banks pushed Libor higher, it meant that ordinary people all over the world collectively were getting ripped off to the tune of billions of dollars in excess interest payments. Even if Libor was moved artificially lower, there were losers aplenty. Many American cities and pension funds, for example, had purchased interest-rate swaps to protect themselves against the risk of rising rates. If Libor declined artificially, those municipalities and pensions would be stiffed out of money that was rightfully theirs. Normal people would be the victims.” [p.71]

“Long before Hayes arrived in Tokyo, the submitters and the traders had realised they could help each other out. It had been common practice at UBS for traders to ask their deskmates to nudge Tibor in helpful directions, and to ring colleagues in other parts of the UBS empire for help moving Libor. Those colleagues didn’t have to comply – they could have reported something resembling the bank’s actual borrowing costs – but who wanted to be the martyr, the goody two-shoes, who interfered with traders raking in profits for the bank? In addition to

watching his colleagues interact, Hayes had an unobstructed view of UBS's trading positions and how they intersected with its Libor submissions. Always adept at spotting patterns, he quickly realised that the bank was moving its submissions in ways that benefited its trading positions. That didn't seem like a coincidence – in fact, Hayes had noticed the phenomenon back when he was at the Royal Bank of Canada. At one point, he'd asked an RBC manager about UBS's seemingly odd submissions, which happened to be hurting Hayes's own trades. His manager bluntly told him it was because of the Swiss bank's trading positions. Hayes wasn't the only one who noticed. Eighteen months before he joined UBS, a client had complained to the bank about its self-serving Libor submissions. 'It's our natural right,' the UBS employee shot back. 'Any other bank will do the same'” [pp.89-90]

“There were limits to the extent that traders would tinker with Libor. You could move Libor within a certain plausible band to help yourself, but straying outside that range was at best unwise. Did that principle stem from a sense of propriety, a notion that while the definition of Libor was a bit amorphous, the submissions needed to have at least some integrity? Or was it simply that traders wanted to avoid detection as they rigged a vital interest rate? Years later, that question would be hotly contested.” [p.98]

[“In the years leading up to the financial crisis, public pension funds had been growing increasingly bold and creative in the gambles they made with their members' money. Markets were booming, and it was hard to resist the temptation to leap for the double-digit annual returns that hedge funds and other professional money managers were attaining. So the Oklahoma Police Pension & Retirement System, a traditionally risk-averse fund, hired a bunch of asset managers to help it amp up its returns. Before long, the OPPRS— exactly the type of dumb-money clients that Hayes and his ilk battled for the right to do business with—was the proud owner of Japanese interest-rate derivatives. Sure enough, the bets soured—a result, the fund would later claim, of manipulation by Hayes and his pals. A similar scenario played out in California. CalSTRS, the giant fund handling the retirement savings of the state's teachers, bought derivatives linked to Libor and Tibor. CalSTRS would realise years later that it had paid inflated prices for those instruments because someone had pushed the benchmarks artificially higher.

Hayes had never heard of Laydon, probably couldn't point to Oklahoma on a map, and most likely didn't know what CalSTRS stood for (California State Teachers' Retirement System). He viewed himself as operating within a closed system, facing off against other predatory professionals who were sufficiently sophisticated, and often avaricious, to deserve whatever they got. The perspective of the financial system as a playing field for these competitors, where amateurs were viewed as fair game if they were thought of at all, had been hammered into Hayes since he first set foot on a trading floor. It was a narrow, self-serving view, and its prevalence helped explain why the finance industry was heading for all sorts of trouble. But this was a game played hard, and if there were corners cut and envelopes pushed—well, that was just business.”] [pp.109-110]

“Moving Libor was a team effort at UBS. Rank-and-file traders received help from their managers, who in turn sought support from their bosses.” [p.140]

“Sitting at their desks in London, two UBS traders, Andrew Walsh and Panagiotis Koutsogiannis, watched a live video feed of the meeting. ... ‘As if,’ fumed Koutsogiannis, universally known within the bank as Pete the Greek. ... The Greek citizen had joined UBS straight out of college and had worked at the bank his entire career. By now he was a midlevel executive who still did some of his own trading. Like Hayes, he specialised in derivatives tied

to interest rates. Also like Hayes, he regularly pinged the bank's Libor submitters with requests to move the rate in directions beneficial to his trades. Walsh, who submitted some Libor data for the bank, was sometimes helpful in that regard. And so the two men alternated between plotting to skew Libor and complaining about their woebegone employer. 'Hey mate, we want a really low fixing tomorrow,' Pete wrote to Walsh the day after the shareholder meeting. 'That's fine,' Walsh responded. For emphasis, Pete added that he had £100,000 riding on the outcome. A couple of months later, after the two agreed to keep Libor as high as possible, Pete the Greek said sarcastically that maybe UBS should form a committee to discuss where to set the rate – that's how many people, he mused, were involved in the deliberations." [pp.146-147]

"That summer in London, UBS's Koutsogiannis, aka Pete the Greek, was finally getting nervous about all the Libor machinations. One day in late June, he messaged a colleague: 'JUST BE CAREFUL DUDE.' It wasn't clear exactly what Pete was referring to, and perhaps that was deliberate. But it became obvious when his colleague responded: 'I agree we shouldn't have been talking about putting fixings for our positions on public chat. Just wanted to get some transparency though.' Their consternation was a sign that word of the CFTC investigation was slowly trickling down through the ranks at UBS and other banks. Like a radar detector on a seemingly deserted stretch of highway, banks' compliance departments were starting to sound the alarm about cops lurking up ahead. Nobody told Hayes. He had a huge set of trades dependent upon Libor rising in mid-July and then falling afterward, and he acted accordingly. The day after Pete the Greek's warning, Guillaume Adolph sent Hayes a message asking for his mobile phone number. Hayes provided it, and the Deutsche Bank trader promptly called. Adolph noted their mutual desire to keep six-month Libor as high as possible. He suggested they act together to lift their submissions over the next two weeks, and then lower them later, to suit both of their interests. Hayes, pacing in a small conference room just off UBS's trading floor, agreed." [pp.227-228]

"In retrospect, the manipulation at the heart of the Libor scandal was hard to miss. But, at least to outsiders, it wasn't so obvious at the time. ... The daily moves in Libor were not so massive as to suggest tampering. ... And recognising the bogus switch trades was nearly impossible to outsiders, given the tens of thousands of transactions taking place every day. Deliberately or not, Hayes and others had taken advantage of those circumstances and, without ironclad evidence of wrongdoing, they were a bit like athletes whose performance notably improves even as they age. Are their skills the result of harder work, greater luck, or something illicit? And unlike athletes, traders' feats didn't take place on a field and weren't televised. They were hidden deep inside vast financial institutions." [p.236]

"As word spread of the slam-dunk Barclays evidence, more regulators jumped on the bandwagon, including the FSA, which overcame nearly two years of scepticism and launched its own investigation in the spring of 2010. The U.S. Securities and Exchange Commission also asked banks to hand over reams of data and internal documents. UBS had somewhat successfully stiff-armed the CFTC, and it tried to deflect the SEC to British and Swiss regulators. But the SEC investigators had less patience than Gensler's crew, and after meeting a bunch of UBS employees, they bluntly accused the bankers of being obstructive*. In the meantime, UBS assured the SEC that nothing seemed to be wrong with Libor.

* Pete the Greek went straight to the BBA and told Ewan about the meeting. Pete's theory – which the credulous Ewan apparently bought – was that the SEC wanted to undermine Libor's legitimacy so that it could create its own competing interest-rate benchmark." [pp.261-262]

“The hand-in-glove collaboration between traders and Libor submitters would have been the envy of banks like UBS, which had spent years trying to foster such cooperation.” [p.268]

“Rumours about Hayes’s abrupt departure began to circulate. The prevailing wisdom was that he’d been fired for losing a lot of money. ‘Can’t say I am too surprised. Shame though,’ an ICAP executive emailed Wilkinson. But others were closer to the real reason. Pete the Greek and Sascha Prinz were among those trying to find out what happened. Prinz by now was at Bank of America. Pete the Greek was still looking to escape UBS and was pressing Prinz to get him an interview. ‘You heard about Tom Hayes?’ Prinz asked. ‘Yeah, sacked for cause. Pretty nasty.’ ‘Supposedly he tried to influence New York guys in setting Libor, and they have that on tape,’ Prinz gossiped. ‘That is ugly,’ Pete the Greek said. Elsewhere, traders and managers wondered why Hayes had been fired for doing what so many others also were doing.” [p.295]

“PART III – The Second Scam” [p.299]

“At Citigroup, Mccappin grew increasingly worried about his vulnerability to the expanding investigations. He wrote himself, for posterity, a long e-mail, with bullet points on what he knew, when, about Libor. ‘Daily submissions would try to be biased to the lower side’, he said without mentioning that the strategy was crafted at least in part with specific trading positions in mind. Mccappin didn’t see anything wrong with this: ‘I know we have now heard this (everywhere) but I was genuinely not aware of any formal policy/guideline of these matters.’” [p.304]

“UBS and its high-priced hired guns would now be the ones determining which evidence and witnesses showed up on regulators’ and prosecutors’ radar screens. If UBS didn’t discover certain evidence, or decided for whatever reason not to share it with the authorities – well, it would probably never come to light. ... When Gibson Dunn reported that UBS had destroyed all of the recordings of employee phone calls in Tokyo, there was nothing much that investigators could do. Nor did they complain about the fact that UBS had blacked out the identities of certain people, presumably executives, included on various internal e-mail chains that the bank handed over. And they had to trust Gibson Dunn’s matter-of-fact determination that eight million of the documents that UBS initially had flagged as relevant to the investigation simply wouldn’t be available to U.S or British regulators because they were housed on the bank’s Swiss computers and therefore fell under the country’s stringent bank secrecy laws. This was a fantastic turn for UBS, which could now attempt to confine the investigation to an isolated group of wayward employees who no longer worked for the bank or at least already had been suspended.” [pp.308-309]

“It was inevitable that someone was going to get charged – after all, one of the main points of the Libor investigation was to prove that US prosecutors could finally nail someone. And, based on what the prosecutors had been picking up from their counterparts at other agencies, UBS and its former employees were starting to look like the most promising targets. ... But for the first time, Stellmach and Park thought they were looking at evidence of real manipulation – the type of stuff that could actually hold up in court and that might have affected the wide range of institutions and individuals that had purchased derivatives to protect themselves from volatile interest rates. The damage to one person’s credit card bill might have been negligible, but when you added up all of those credit cards, all of those car loans, all of those mortgages – well, it didn’t look quite so minor. And the blatant nature of the emails and chat snippets resolved any lingering doubts about whether the evidence could be open to a more innocent, benign

interpretation. Hayes, in the course of that hours-long gathering, emerged as the obvious target. ‘He’s the one,’ Park told colleagues afterward. That was just as UBS wanted it.” [pp.313-314]

“When you got down to it, everyone who had been part of the effort to manipulate Libor – Hayes, Pieri, Farr, Read, Alykulov, Goodman, Cecere, and on and on, even UBS itself – was a trader, no matter their particular place in the market.*

* Of course, that doesn’t mean that they were necessarily committing a crime. At the time, there were no laws explicitly prohibiting the manipulation of Libor.” [p.316]

“If someone was going down, UBS had to make sure it was Tom Hayes. And if Tom Hayes was going down, everyone who had worked with him had to do whatever he could to make sure Hayes fell alone. The good thing was that there was at least a little truth in the lie: Hayes had, in fact, been central to much of the Libor-skewing effort. But no orchestra is made up of a single musician.” [p.317]

“In May, UBS informed him and Alykulov – and more than a dozen others – that they could either resign voluntarily or be fired. That was an easy choice: Resigning didn’t leave a blemish on your employment records.” [p.330]

“Cecere didn’t seem worried, but he soon started telling acquaintances that – to his great surprise – his former employee apparently had constructed a ‘spider network’ to execute his nefarious Libor scheme. It was an apt handle: With strands stretching across the globe, the web trapped the naïve and unsuspecting. Cecere, too, was trying to cast all the blame on Hayes, even though this web was in fact shared by many spiders – Cecere among them.” [pp.336-337]

“A number of past and present UBS executives were called to testify, and following the playbook, they pointed the finger at one former employee in particular.” [p.360]

“Asked if he admitted having acted dishonestly by manipulating Libor, he answered with one word: ‘Yes’. ‘I probably deserve to be sitting here because, you know, I made concerted efforts to influence Libor,’ he told the SFO in a session a couple of days later. ‘And, you know, although I was operating within a system, or participating within a system in which it was commonplace, you know, ultimately I was someone who was a serial offender within that...’ ... Just like that, Hayes had admitted to being a central part of what looked like a vast criminal conspiracy.” [pp.364-365]

“And the more he explained his tactics to the SFO, the more he convinced himself that he was innocent – or, at least, no guiltier than anyone else. After all, whose fault was it if he did what he’d been told was okay? How could he be blamed if everyone was doing more or less the same thing? This was just the way the system worked.” [pp.370-371]

“The next day, Hayes’s interrogators turned to page 146 of a bundle of documents, a numbered to-do list that had been stored on a shared computer drive at UBS, which a number of managers had access to. Hayes had never seen the document before, but as he examined it, he realised that it was essentially an instruction manual for the bank’s Libor submitters. It showed that the UBS traders who specialised in interest-rate derivatives linked to euros and dollars were in charge of submitting their own Libor data. They didn’t have to go through an intermediary in another department, as Hayes had to do with Darin, in order to tinker with the bank’s Libor submissions. But the real revelation was the explicit instruction to the traders about exactly how to take their derivatives positions into account when setting Libor. It was just so flagrant.

‘It’s hilarious,’ Hayes said. But the humour quickly faded. ‘You see, this is what winds me up here. Like I’m just getting hung, drawn and slaughtered by this bank, and then there’s this official document for publishing the Libor rates where they’re just blatant.’ Again, everyone was doing it, so why was he being singled out?’ [pp.372-373]

“Asked repeatedly whether he was aware at the time that he was acting dishonestly, he responded: ‘I was aware of that I was being dishonest, but on a micro scale, on a scale that was not perceptible to people, that was not really influencing the rates, outside of what I would term my permissible range.’ This was an important concept, at least to Hayes and some of his former colleagues. Their argument was that because each bank’s data was supposed to be based on what it thought it would cost to borrow money from another bank on any given day, there was no absolute precise rate, but rather a narrow band of numbers, drawn from a variety of information sources, and somewhere within that band probably lay the truth. But picking a specific figure, down to multiple decimal places, was arbitrary. As long as the Libor submitter chose a data point from within that band, it was hard to argue his numbers were technically wrong – not that this represented much ethical justification for what Hayes and his confederates had been doing.” [pp.373-374]

“At 8:25A.M., a police sergeant read aloud the charges against him: eight counts of conspiracy to defraud, involving his time at UBS and Citigroup. (Because Libor manipulation hadn’t itself been a crime when Hayes was a trader, the SFO turned to the conspiracy-to-defraud statute, which outlawed entering into agreements with the intent of ripping off another party.)” [p.374]

“Each of the eight counts he was charged with carried a possible sentence of up to ten years in prison. And in spite of all the warnings his lawyers had given him, it hadn’t fully dawned on Hayes that he was being cast not only as the Libor ringleader but also as a symbol of the darkest tendencies of the entire banking industry. ‘You’re the scapegoat and so there is a deterrent aspect,’ Jonson pointed out.” [pp.378-379]

“Each time charges were filed, a press conference was convened or a press release issued touting the latest actions as a clear sign of the government’s commitment to punishing financial criminals. For the most part, the media played along, and to a certain extent, these creatures of the modern financial system were fair game. They had pushed the envelope too far. They had got rich doing so. They had abandoned their moral and ethical compasses. Perhaps they had even broken the law doing so.” [p.392]

[“Only in the wake of the Barclays settlement had Parliament passed a law officially outlawing the manipulation of benchmarks like Libor, and that didn’t apply retroactively. Plus, the conspiracy-to-defraud charges against Hayes hinged on the notion that he had intended to defraud third parties. Well, who exactly were those third parties, and how were they actually defrauded? The SFO hadn’t presented evidence that identified victims.”] [p.394]

“UBS had fired Pete the Greek before he could land a job at a competitor, and things had gone downhill for him from there. As the FCA trawled through internal chats and e-mails from UBS and other banks, the agency encountered the plentiful instances in which he schemed with his colleagues to get Libor adjusted for the benefit of his trading positions. The regulator banned him from performing any influential role in the British financial industry because he ‘was dishonest and lacked integrity.’ Pete the Greek’s lawyers appealed the ruling. The FCA had an odd system for handling appeals of this nature: An internal panel called the Regulatory Decisions Committee was empowered to overturn verdicts of the agency’s enforcement division if it found that there was compelling evidence that hadn’t been properly taken into

account. In early April, the committee vacated the FCA's punishment. The crux of the ruling – which was secret due to the confidential nature of the disciplinary process – was that 'Mr Koutsogiannis did not behave dishonestly or without integrity in making requests for submissions within what he understood to be an acceptable range.' The FCA recognised the potential import of the ruling on Hayes's defence. A week before the trial was to begin, the agency convened a meeting to decide whether to disclose the ruling to his lawyers. 'The sensitivity here is the criminal proceedings and the potential bleed across to other cases,' an FCA official told attendees. They decided to withhold judgement for now on whether the Hayes team needed to know." [p.403]

"In early June, Hayes's lawyers finally were informed that the FCA appeals committee had invalidated the regulator's punishment against Pete the Greek, concluding that his actions weren't dishonest. At first, the defence team was ecstatic; this was a potentially game-changing piece of evidence. But then [Mr Justice] Cooke ruled that it wasn't relevant to Hayes's trial because the appeals committee wasn't evaluating Pete the Greek's actions from a criminal law standpoint. The defence wouldn't be permitted to tell the jury about it. The lawyers were crestfallen. Hayes was just furious." [p.411]

"With Hayes on the stand, Hawes walked him through dozens of instances of other UBS employees taking into account their trading positions when they set Libor. Many of the examples predated Hayes's arrival at UBS, and he wasn't a participant in any of the chats and phone calls." [p.416]

"For such a long, hard-fought trial, there were surprisingly few facts in contention. Everyone agreed that Hayes had peppered dozens of people with hundreds if not thousands of requests to move Libor in advantageous ways. Nobody disputed that Hayes used switch trades to thank brokers. There was even agreement that Hayes's bosses knew about and condoned what he was doing and that countless other traders were doing more or less the same thing... The key question was whether Hayes had acted honestly. And his success at establishing that all-important credibility was at best mixed." [p.421]

"'Guilty,' the foreman said. Then he said it seven more times. The jury unanimously convicted him on all eight counts." [p.429]

"The judge read a long statement denouncing him for knowingly committing a crime, for exploiting his subordinates, for pulling out all the stops to manipulate the legal process. Plus, the judge declared, 'the conduct involved here must be marked out as dishonest and wrong and a message sent to the world of banking accordingly. The reputation of Libor is important to the City as a financial centre and to the banking industry in this country. Probity and honesty are essential, as is trust which is based upon it. The Libor activities, in which you played a leading part, put all that in jeopardy.'" [p.430]

"The contrast between Hayes's fate and those of his peers was stark. Six of his former brokers were preparing to stand trial, but most of his other colleagues were free--and gainfully employed. Mirhat Alykulov was still in the finance industry in Tokyo, working as a broker. (He partied with his former colleagues, including Paul Ellis, the Credit Suisse trader with whom Pieri had ganged up on Hayes. And he learned to box, participating in a charity tournament alongside the hairy Anthony Hayes, who took the opportunity to temporarily shed the Abbo moniker and be rechristened as the Apeman.) Naomichi Tamura, who over Christmas eight years earlier had instructed Hayes to do all he could to move Libor in a helpful direction, until recently continued to work at UBS. Mike Pieri dis- appeared to Australia, but remained a free

man. Chris Cecere was at a hedge fund. Hayato Hoshino and Andrew Thursfield and Burak Celtik and Laurence Porter all kept working at Citigroup. Holger Seger, who had encouraged Roger Darin and others to collaborate with traders like Hayes, left UBS and eventually landed a job at a small bank in the picturesque Swiss city of Lenzburg. Darin, wanted by the United States, couldn't leave Switzerland without risk of being arrested, but he was ensconced in his native country's financial technology industry.

David Casterton remained a top ICAP executive. In one of his final acts as prime minister in 2016, David Cameron nominated his old pal Michael Spencer to become a member of the House of Lords. (The appointment ended up being blocked.)

*And the two executives whose names had appeared on a draft version of Hayes's charges? Well, they were doing better than ever. Carsten Kengeter—who as co-head of UBS's investment bank had pleaded over and over with Hayes to stay, partly because of his priceless connections to Libor setters—was no longer with UBS. Now he was the chief executive of Deutsche Börse, the big German stock exchange. As Hayes's trial got under way, Kengeter unveiled an ambitious expansion plan for the company, including buying a large foreign-exchange trading platform, the company's biggest purchase in a decade. Then in March 2016, he announced an even more audacious deal to merge with the London Stock Exchange, one of the world's most prominent markets. Kengeter would be crowned CEO of the sprawling new institution.**

** Kengeter says he wasn't aware of any wrongdoing at UBS.*

Brian Mccappin—who in the most charitable version of events had done nothing to stop Hayes and Cecere from manipulating Libor—never left Citigroup. After Japanese regulators slapped the bank's wrist in late 2011, Citigroup reassigned him to Singapore and then New York. He cycled through some low-profile jobs there. Then, as if by clockwork, when Hayes was locked up, Mccappin was promoted. His new job—head of institutional sales in the foreign-exchange business—sounded obscure, but it represented a ringing public endorsement of a man whose reputation had been badly tarnished. Announcing his promotion, Citigroup described Mccappin as 'a valued employee.'

Even Angela Knight, who presided over the British Bankers' Association during its inept management of the Libor scandal, landed on her feet. She left the BBA for a job at an association advocating on behalf of the United Kingdom's energy industry. Then, in late 2015, her longtime contacts in the British government decided she was just the person for a plum post advising the Chancellor of the Exchequer on how to simplify the country's tax code. A parliamentary committee grudgingly approved her appointment, although it noted it was unimpressed with her tenure at the BBA.

The Bank of England's governor, Mervyn King, retired and in spring 2016 landed a job as a senior adviser at Hayes's former employer, Citigroup. Meanwhile, the central bank plodded along with a years-long effort to come up with ways to delink derivatives from Libor. The idea was that if those ubiquitous financial contracts, representing trillions and trillions of dollars, were no longer tied to an error-prone, theoretical interest rate, well, they would be more reliable. The central bank appointed a veteran of more than twenty years to lead the effort, as well as to come up with ways to clean up other markets prone to manipulation. The wiry, floppy-haired man, with a fondness for jogging and golf, had previously done stints at the International Monetary Fund in Washington, during which he'd listened to his nerdy, socially awkward nephew talk excitedly about his interest in becoming a star trader, and as King's private secretary, where he'd helped communicate his boss's laissez-faire attitude about Libor.

Since then, the man had climbed the Bank of England's ranks and become its executive director in charge of supervising markets. His name was Chris Salmon. The man responsible for dealing with the Libor scandal's fallout, and for reducing the odds that another scandal took place, was the uncle of the scandal's convicted ringleader.

Banished from the banking industry, Alexis Stenfors had reassessed his life. Within a few months of Merrill Lynch firing him in 2009, he decided to pursue one of his earlier interests: academic research. He enrolled in a University of London Ph.D. program. His research topic was — what else? — Libor manipulation. Eight years earlier, Stenfors had started noticing some fishy stuff going on with the benchmark. Now he had a chance to blow the whistle.

His studies at times were surreal. Once, in a library researching his dissertation, he leafed through a study about rogue traders. In the middle of the paper was a table listing rogue traders dating back to the early 1990s. Near the top of the list, a name leapt out: Alexis Stenfors. Stenfors didn't view himself as a rogue trader; he had just made some mistakes, within a system that more or less encouraged such mistakes. Stenfors typed out a fruitless letter to the journal's publisher protesting his inclusion in the list.

He completed his dissertation, earned his doctorate, and landed a teaching position at the University of Southampton. Eventually he emerged as a sought-after speaker for university students and fellow researchers, a unique pairing of academic expert and industry veteran, of theoretical and real-world experience. Stenfors, more introspective than most, had spent two years regularly visiting a psychotherapist, trying to understand what had motivated him to lie and cheat. Seven years later, he still hadn't figured it out.

Stenfors was glued to the coverage of Hayes's trial. He and his former brokers—these were guys Stenfors knew, guys like him, and now they were staring at years behind bars. At one point, the prosecution questioned Hayes about when he and Farr arranged their first switch trade and were hunting for someone to take the other side. They had turned to Stenfors, who had demurred. Farr had asked Stenfors if the trades seemed dodgy, and he had said yes. Now, in court, the ethical judgment of Stenfors was being presented to the jury as a sign that Hayes and Farr knew that what they were doing was improper. It wasn't funny, but Stenfors couldn't help but laugh.” [pp.430-434]

“For months, Hayes, Tighe, and their families clung to the hope of a successful appeal of his conviction and sentence. His lawyers argued that Judge Cooke, who had retired after Hayes' case, had improperly excluded evidence, such as Pete the Greek's exoneration by the regulatory committee.” [p.438]

“They didn't tell him of the acquittals until they'd completed all their other business. Hayes was engulfed with emotions when he heard. Here he was, locked up in jail, with most of his worldly possessions being confiscated by the government, and in London his supposed conspirators had just been let off the hook. On the other hand, their acquittals were a token form of vindication; after all, these were many of his alleged confederates. It felt good knowing that the SFO and David Green and Mukul Chawla had suffered an embarrassing defeat. And by not sticking with his original plan to cooperate with the SFO and testify against his former brokers, he had helped these men remain free. 'I can look at myself knowing six families are complete, in a small part because of me,' Hayes wrote to an acquaintance. He described the brokers, despite their occasional dishonesty, as basically 'good guys'. Hayes still didn't grasp what had really happened. These friends who were not friends, these bosses who now claimed not to be bosses, together they had just engineered the greatest trade of all: Hayes for their own

freedom. He was the genius, the university man, the millionaire, the star. And he was the fool. Most of them had their money; his would be seized. They had their liberty; he was in prison. Yes, there had been a spider network. Hayes still didn't realise that in the end, he'd been the fly.” [p.443]