

# The 2019 Mock Trial Case

*edited by the*

**MOCK TRIAL CASE COMMITTEE  
CENTER FOR CIVIC VALUES**

## **STATE OF NEW MEXICO**

District Court

Creative	)	
Technology Investments,	)	
	)	
Plaintiff,	)	Civil Action No. 2019-MT
	)	
v.	)	
	)	
Layton Guerrero,	)	
	)	
Defendant.	)	

NOTE: All characters, names, events, and circumstances in this mock trial case are fictitious or are used fictitiously. Any resemblance to any person (living or dead), place, thing or event is purely coincidental.

**The Center for Civic Values gratefully acknowledges the South Carolina BAR Law Related Education Committee and the Mock Trial Sub-Committee for the original case.**

**Thank you to the Center for Civic Values Mock Trial Case Committee Members who helped adapt the case for New Mexico:**

Ilyse Hahs-Brooks, Esq.

Michael Daniels, Esq.

Lynda Latta, Esq.

Susan Quintana, Pojoaque High School

Kristen Leeds, NM Mock Trial Program Director

## INTRODUCTION TO THE MOCK TRIAL COMPETITION

The Mock Trial program is sponsored by the Center for Civic Values (CCV). Public schools, private schools and home-schooled students throughout the state are invited to participate in this High School Mock Trial program in accordance with the rules of the New Mexico Activities Association. Each participating school enters a team ideally composed of 6-13 students (minimum of 6 students). Each team must have a teacher coach sponsor. The CCV assists in locating attorney coaches to help teams prepare the case and provides the team with the Case Materials, the Competition Handbook, and other competition materials on the CCV website at [www.civicvalues.org](http://www.civicvalues.org).

The Mock Trial competitions are divided into a qualifier competition with a culminating state competition. A total of eight teams advance from the qualifier competition to participate in the state competition using the same case.

### MOCK TRIAL COMPETITION SCHEDULE

Qualifier .....February 8 and 9, 2019  
State .....March 8 and 9, 2019  
Nationals.....Athens, GA May 16-18, 2019

### GOALS

The goals of this program are, first and foremost, to educate students about the basis of our American judicial system and the mechanics of litigation. The program also serves to build bridges of mutual cooperation, respect, and support between the community and the legal profession. Through participation in the Mock Trial program; students increase important skills such as listening, speaking, writing, reading, critical thinking, and analytical reasoning. All participants are encouraged to keep in mind that the goal of the Mock Trial program is not to win for the sake of winning, but to learn and understand the meaning of good Citizenship in a democratic republic through participation in our system of law and justice. All who participate in the Mock Trial program are winners in this sense.

### HAVE MOCK TRIAL QUESTIONS?

Contact Kristen Leeds at [mocktrial@civicvalues.org](mailto:mocktrial@civicvalues.org) , 505-764-9417 or 800-451-1941.

## **INTRODUCTION**

*This introduction is of **no legal consequence** in terms of the trial and is **not admissible** for impeachment purposes or for any other purpose.*

In the fall of 2015, high school junior, Layton Guerrero along with several class members, began developing an app with the stated purpose to serve as an education tool for students and teachers. The app, named Teacher's Pet, was developed as part of a computer programming class taught by Alex Duran at Escalante High School in Capital, New Mexico.

After the class ended, Layton continued to develop the app further and began offering a trial version to the public. By Layton's freshman year in college, the Teacher's Pet, LLC was established and the Teacher's Pet app is property of LLC. Creative Technology Investments ("CTI") decided to invest in the Teacher's Pet, LLC to bring it to a wider and more profitable market.

As the app was in the final stages of expansion and re-launch, rumors began to swirl that the app was being used to help students cheat. Because of these rumors, the app was pulled from the market. With the app off the market, CTI lost money on their investment and is now suing Layton Guerrero for negligent misrepresentation and fraud.

## **STIPULATIONS**

1. This case is governed by the laws of the State of New Mexico. The parties are bound by the law set forth in the Jury Charges. The parties may not argue or present any statutory or case law other than what is cited in the Jury Charges.
2. There are no defects in the pleadings. The Defendant has properly appeared and answered. The Court has jurisdiction over the parties. All questions of fact are being submitted to the jury. Questions of law will be decided by the Court. No law may be argued other than what is contained in the Jury Charges in the Case Materials.
3. This case has been bifurcated. The only matter to be decided in this trial is liability. Damages, if any, will be decided at a later trial, if necessary.
4. All exhibits included in the case materials are authentic and are accurate copies of the originals. No objections to the authenticity of the exhibits will be entertained. The only exhibits to be used at the trial are those included in the case materials provided by the Center for Civic Values.

5. The signatures on the witness statements and all other documents are authentic and signed under oath by each witness.
6. The charge of the Court is accurate in all respects, and no objections to the charge will be entertained.
7. No objection or defense may be made based on the Defendant's age, the statute of limitations, jurisdiction, or venue.
8. For purposes of this trial, Teacher's Pet, LLC is a legal entity that has been registered with New Mexico Division of Corporations. The legal relationship between Teacher's Pet, LLC, and Teacher's Pet app, and the parties is not relevant to any issue in this case. No claims or defenses may be brought on the existence of the LLC, but Exhibit #2 in the case materials may be used for any other relevant purpose.
9. The terms of the contract between Teachers Pet, LLC and CTI are not being disputed.
10. P.C. Ormack is unavailable and both parties stipulate that he has nothing further to add.
11. The Court has issued an order allowing Alex Duran to testify about students' grades and sensitive information.
12. The Defendant's parents are not to be called as witnesses. Both parties stipulate that they have nothing to offer to the case.

## **WITNESSES**

*The following witnesses are available to be called by the parties. Plaintiff witnesses may not testify or be called on behalf of the Defendant. Defense witnesses may not testify or be called on behalf of the Plaintiff. All witnesses may be female or male. See Rule 2.4 for more details on witnesses.*

### **For the Plaintiff**

Dee Hawkins, Plaintiff  
Cam Pino  
Jordan King

### **For the Defense**

Layton Guerrero, Defendant  
Shawn Salazar  
Alex Duran

## **EXHIBITS**

*Teams in competition may use the following exhibits. Teams should only print and use exhibits in a black and white format. They are pre-marked and are to be referred to by number, as follows:*

<b>Exhibit No.</b>	<b>Exhibit Description</b>
1	Flash Online Thread Discussion
2	Teacher's Pet, LLC Registration Papers
3	PowerPoint Presentation Prepared by Guerrero
4	Due Diligence Letter
5	Email Exchange #1 Between Duran and Salazar
6	Email Exchange #2 Between Duran and Salazar
7	NM State Law Enforcement Division Letter
8	Teacher's Pet Patent
9	Curriculum Vitae of Alex Duran
10	Curriculum Vitae of Jordan King



6. In exchange for a fee, CTI makes diversified investment decisions on behalf of its clients who, in turn, share in the profits and losses resulting from those investment decisions.
7. CTI owes its clients a fiduciary duty to make sound financial investments. To that end, CTI makes every effort to diligently research potential investments, and to assess the relative risks and benefits of investment opportunities, before investing in any security, commodity, or other type of asset.
8. Because CTI invests in only those assets it deems an acceptable risk, its clients generally enjoy a steady rate of return on their investments, and CTI, in turn, enjoys a reputation in the community as a successful and dependable investment firm.
9. Layton Guerrero (“Guerrero”) is an individual who is nineteen years of age.
10. Guerrero is currently a sophomore at University of New Mexico. Guerrero’s anticipated date of graduation is May 2021.
11. While a junior at Escalante High School, Guerrero enrolled in a computer programming class taught by Alex Duran. As part of that class, Guerrero developed an application for mobile devices (“mobile app” or “app”) called “Teacher’s Pet.” Guerrero expanded the app outside of the class project and later marketed Teacher’s Pet as an education app, the purpose of which was to allow teachers to set up class discussion boards, post assignments, administer tests, and allow students to turn in completed work.

12. Guerrero's Teacher's Pet app was wildly popular in the trial format. In January 2017, approximately one year after it was developed, Guerrero began selling the Teacher's Pet app on iTunes.
13. Dee Hawkins ("Hawkins") is a certified investment manager and the managing partner of CTI.
14. In June 2017, Hawkins learned about Guerrero's Teacher's Pet app and that it was being offered successfully on iTunes. Hawkins considered the app a potential investment opportunity but neither Hawkins nor any other CTI employee pursued the opportunity at that time.
15. On August 26, 2017, Guerrero incorporated Teacher's Pet, LLC by filing articles of incorporation with the New Mexico Secretary of State.
16. In September 2017, Guerrero contacted Hawkins at CTI with a request to consider investing in the Teacher's Pet, LLC and its Teacher's Pet app. Hawkins permitted Guerrero to make a presentation, during which Guerrero represented that Teacher's Pet was an education app, designed solely to allow teachers and students to interface in a secure, virtual classroom.
17. After Guerrero presented the Teacher's Pet app, Hawkins and other employees at CTI made diligent efforts to investigate the function and utility of the app and to assess potential risks and benefits of investing clients' money in the company. As part of these efforts, Hawkins had multiple conversations with Guerrero and Alex Duran. During these conversations, Guerrero repeatedly made assurances that

Teacher's Pet was a secure education app, the utility of which would transcend high school classrooms and reach into graduate and post-graduate programs.

18. Based on Guerrero's representations and its own independent investigation, CTI determined the potential benefits of investing in the Teacher's Pet app outweighed the potential risks.
19. On October 5, 2017, CTI contracted with Guerrero to invest in Teacher's Pet, LLC. Pursuant to the contract, CTI invested \$500,000 of its clients' money in Teacher's Pet, LLC; in return, CTI and its clients were to receive a seventy percent stake in the company, including any future profits derived from the success of the app.
20. On October 17, 2017, Teacher's Pet, LLC was awarded patent # US 7,345,642 for software application integrating teacher and student communication.
21. Plaintiff incorporates and re-alleges the allegations contained in paragraphs 1 through 20.
22. Within months of investing its clients' money in Teacher's Pet, LLC, CTI learned the app was not what Guerrero represented it to be. Instead of being a secure education app, Teacher's Pet actually had a feature – an "AutoGrade" button – that allowed students to cheat. Therefore, Guerrero's representations about the app were false.
23. In persuading CTI to invest in Teacher's Pet, LLC, Guerrero explained that the "AutoGrade" button was a feature that allowed teachers to grade tests and quizzes instantly with a push of a button. Guerrero represented that the feature only

appeared on the teacher's version of the app. In actuality, the feature was hidden in the version of the app designed for student use, and it enabled students to auto-fill the correct answers to any tests or quizzes that were open in the app.

24. Guerrero had a financial interest in making the false representations in order to coerce investment in Teacher's Pet, LLC.
25. Guerrero was obligated through negotiations and proper business practices to present information about the Teacher's Pet app truthfully and honestly to its investors.
26. Guerrero breached the duty of care by failing to deal with CTI truthfully and honestly about the Teacher's Pet app.
27. CTI justifiably relied on the representations of Guerrero.
28. When word spread that the Teacher's Pet app was not a true education app but, instead, an app that enabled students to cheat, iTunes pulled the app from its online store December 15, 2017, and there was no longer any market for it. As a result, CTI lost the money it invested in the Teacher's Pet, LLC on behalf of its clients, and its clients lost trust in CTI.
29. Plaintiff incorporates and re-alleges the allegations contained in paragraphs 1 through 28.
30. During the meetings and conversations in September 2017, Guerrero made an untrue statement of material fact or omitted to state a material fact that was

necessary under the circumstances, to make the statement not misleading.

Guerrero explained that the “AutoGrade” button on the Teacher’s Pet app was a feature that allowed teachers to grade tests and quizzes instantly with a push of the button. Guerrero represented the feature only appeared on the teacher’s version of the app. In actuality, the feature also appeared in the version of the app designed for student use, and it enabled students, to auto-fill the correct answers to any tests or quizzes that were open in the app.

31. Had Guerrero not made the untrue statement or omission, CTI would not have invested in the Teacher’s Pet, LLC.
32. CTI was unaware, and in the exercise of reasonable care could not have been aware, of the untruth or omission regarding the existence and true purpose of the “AutoGrade” feature in the Teacher’s Pet app.
33. As the developer of the app, Guerrero knew of the untruth or omission regarding the existence and true purpose of the “AutoGrade” feature of the Teacher’s Pet app, or at least recklessly disregarded the truth.
34. As a direct result of Guerrero’s fraudulent representations or omissions, CTI has been damaged in an amount to be proven at trial.

WHEREFORE, Plaintiff prays for the following relief:

- (a) that process issue and Defendant be served with a copy of this Complaint;
- (b) that Plaintiff have a trial by jury on all issues;
- (c) that Plaintiff be awarded special and general damages in an amount to be proven at

- trial and as determined by a fair and impartial jury;
- (d) that Plaintiff be awarded costs and attorney's fees in bringing this action; and
- (e) That Plaintiff be awarded such other and further relief as the Court deems just and proper under the circumstances.

This 8th day of February, 2019.

Mitchell and McAbee, LLC

Allison Mitchell

Allison Mitchell  
Attorney for the Plaintiff



7. The Defendant lacks sufficient knowledge or information to admit or deny the allegations contained in paragraphs 17 and 18 therefore denies the allegations.
8. The Defendant admits paragraph 19 and 20.
9. In response to paragraph 21, the Defendant re-alleges its answers in paragraphs 1 through 8 above.
10. The Defendant denies the allegations contained in paragraphs 22 through 28.
11. In response to paragraph 29, the Defendant re-alleges its answers in paragraphs 1 through 10 above.
12. The Defendant denies the allegations contained in paragraphs 30 through 34.
13. The Defendant denies that CTI is entitled to its requested relief in the unnumbered wherefore paragraph.
14. Except to those allegations that Defendant admits in this Answer, Defendant generally denies each and every other allegation against it. Defendant therefore demands strict proof of the claims.

WHEREFORE, Defendant prays for the following relief:

- (a) that Defendant have a trial by jury on all issues;
- (b) that Plaintiff's complaint be dismissed;
- (c) that Defendant be awarded costs and attorney's fees in bringing this action; and
- (d) that Defendant be awarded such other and further relief as the Court deems just and proper under the circumstances.

This 8th day of February, 2019.

Lander and Associates, PA

Sara R. Lander

Sara Renee Lander  
Attorney for the Defendant



### **Credibility of Witnesses**

The jury must determine the credibility of the witnesses. In deciding this, you may consider all the facts and circumstances of the case, including the witnesses' manner of testifying, their intelligence, means and opportunity of knowing the facts to which they testify, the nature of the facts to which they testify, the probability or improbability of their testimony, their interest or lack of interest, and their personal credibility as you observe it. While you may consider the number of witnesses on each side, you are not required to decide in favor of the side with the most witnesses. You make all decisions as to the facts of this case, under the law as given you in this charge.

### **Conflicting Evidence; Reconciliation**

Any conflicts in the evidence are to be reconciled wherever possible. All witnesses are presumed to speak the truth and, if possible, you should not attribute a false statement to any of them. If you find that this cannot be done, then you should believe the evidence that is most reasonable and believable to you and decide the case by the preponderance of the evidence as you find it to be.

### **Circumstantial Evidence; Direct Evidence**

Direct evidence is evidence which immediately points to the question at issue. Indirect or circumstantial evidence is evidence which only tends to establish a fact; it must be such as to reasonably establish that fact rather than anything else. The comparative weight of circumstantial and direct evidence on any given issue is a question of fact for you to decide.

Stated differently, direct evidence is the testimony of a witness who has seen or heard the facts to which the witness testifies and which, if believed, is sufficient to prove or establish these facts.

Circumstantial evidence is the testimony of a witness who has seen or heard the facts to which the witness testifies where from such facts, if believed, you may find other facts to exist, which are reasonable and believable to you in the light of your experience.

Where circumstantial evidence is relied upon to establish a fact or theory, it must be such as to reasonably establish that fact or theory rather than anything else.

### **Admissions**

An admission is a statement by a party, which tends to aid the cause of the opposing party. All admissions shall be carefully considered.

### **Impeachment of Witnesses**

When witnesses appear and testify, they are presumed to speak the truth unless impeached in some manner provided by law.

To impeach a witness means to discredit the witness, or prove the witness unworthy of belief. A witness may be impeached:

- a. By disproving the facts to which the witness testifies;
- b. By proof of contradictory statements previously made by the witness about matters relevant to the testimony and to the case;
- c. By evidence as to the witness's general bad character; or
- d. By the conviction of the witness of an offense involving dishonesty or false statement.

If it is sought to impeach a witness by "b," "c," or "d," above, proof of the general good character of the witness may be shown. The effect of the evidence is to be determined by the jury.

When a witness is successfully contradicted as to a material matter, the witness's credibility as to other matters shall be a question for the jury.

Since believability of witnesses is a matter to be determined by the jury under proper instructions from the court, if an effort is made to impeach a witness, it is the duty of the jury to determine whether the effort has been successful and whether the witness is to be believed.

### **Malice**

The case before you is one in which the plaintiff must prove by a preponderance of the evidence that defendant's actions, if any, was a proximate cause of the injuries to the plaintiff. In order to recover, defendant's actions must have been done with actual malice. In this context, actual malice requires a deliberate intention to do wrong, and denotes express malice or malice in fact, or a deliberate intention to do an unlawful act. While ill will may be an element of actual malice, it must also be combined with the intent to do something wrongful or illegal.

Intent may be shown in many ways, provided you, the jury, believe that it existed from the proven facts before you. It may be inferred from the proven circumstances or by acts and conduct, or it may be, in your discretion, inferred when it is the natural and necessary consequence of the act. Whether or not you draw such an inference is a matter solely within your discretion.

Every person has a duty to use ordinary care for his or her own safety. If you should determine from the evidence that the plaintiff failed to use ordinary care and that this failure was the sole proximate cause of the plaintiff's injuries, then the plaintiff could not recover from the defendant.

### **Form of Verdict**

If you believe from a preponderance of the evidence that the plaintiff is entitled to recover, you would find for the plaintiff and the form of your verdict would be:

"We, the jury, find for plaintiff and against defendant on the issue of liability."

If you believe the Plaintiff is not entitled to recover, your verdict would be "We, the jury, find for defendant."

### **Verdict in Writing**

Whatever your verdict in the case, it must be agreed to by each juror, it must be in writing, dated and signed by your foreperson, and it must be returned and read in court. You may write your verdict on the back of plaintiff's petition.

### **Verdict; Unanimity**

Your verdict must be unanimous. If you cannot unanimously agree on a verdict, the judge is required by law to declare a mistrial and retry the case before another jury. Jurors should carefully consider all the evidence in the case, consult with one another, and deliberate with a view toward reaching a unanimous verdict, consistent with your consciences and oaths as jurors.

Avoid premature fixed opinions. Do not hesitate to reexamine your views and change your opinions if, after fair and impartial discussions and deliberations with your fellow jurors, you are honestly convinced that your opinion should be changed. However, no juror is required to surrender an honest opinion differing from that of another juror merely for the purposes of reaching a unanimous verdict.

### **Court Has No Interest in Case**

I want to emphasize that anything the court did or said during the trial of this case was not intended to, and did not intimate, hint, or suggest to you which of the parties should prevail in this case. Whichever of the parties is entitled to a verdict is a matter entirely for you to determine, and whatever your verdict, it must be agreed upon by all of you.

The court's interest in the matter is that the case be fairly presented according to law and that you — as honest, conscientious, impartial jurors — consider the

case as the court has instructed you and return a verdict that speaks the truth as you find the truth of the case to be.

### **Jury; Final Instructions**

One of your first duties in the jury room will be to select one of your number to act as foreperson, who will preside over your deliberations and who will sign the verdict to which all twelve of you freely and voluntarily agree.

You should start your deliberations with an open mind. Consult with one another and consider each other's view. Each of you must decide this case for yourself, but you should do so only after a discussion and consideration of the case with your fellow jurors. Do not hesitate to change an opinion if convinced that it is wrong. However, you should never surrender honest convictions or opinions in order to be congenial or to reach a verdict solely because of the opinions of the other jurors.

You may go now to the jury room, but do not begin your deliberations until I send you the pleadings and exhibits, which I will do shortly. Then you may begin your deliberations.

### **RELEVANT LAW**

#### **UJI 13-1632. Negligent misrepresentations.**

A party is liable for damages caused by his negligent and material misrepresentation.

A material misrepresentation is an untrue statement which a party intends the other party to rely on and upon which the other party did in fact rely.

A negligent misrepresentation is one where the speaker has no reasonable ground for believing that the statement made was true.

#### **UJI 13-1633. Fraud.**

A party is liable for damages proximately caused by [his] [her] fraudulent misrepresentation.

First, a representation of fact was made which was not true;

Second, either the falsity of the representation was known to the party making it or the representation was recklessly made;

Each of these elements must be proved by clear and convincing evidence.

**WITNESSES  
and  
AFFIDAVITS**

Affidavit of  
**DEE HAWKINS**

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1           1.       My name is Dee Hawkins. I am a 45-year-old partner in an investment firm  
2 here in Capital, New Mexico. Originally, I am from Santa Fe. I went to UNM and  
3 received my bachelor's degree in economics. After graduating, I moved to Capital and  
4 started my own company. My investment firm is called Creative Technology  
5 Investments (CTI). We started out small but have grown into one of the largest  
6 investment companies in New Mexico. The way my company works is simple. Our  
7 clients are everyday people who invest their money and want to watch it grow. These  
8 are the people who do not have the time, or maybe the inclination, to educate  
9 themselves about the market and what may or may not be a good investment. This is  
10 where my company shines.

11           2.       We make diversified investment decisions on behalf of our clients. We are  
12 very good at what we do and our clients see a steady rate of return. Though privacy and  
13 business considerations prevent me from going into too much detail, our investment  
14 portfolio is quite large. We are very well known throughout the southwest as a  
15 successful and dependable investment firm.

16           3.       It is no surprise that anytime we turn our attention to a new investment  
17 opportunity, people take notice. Our diversified portfolio consists of both stable and  
18 steady investments and a few high risk, high reward investments like start-up  
19 companies. Often times we are approached by entrepreneurs who want us to give them  
20 seed money for their ideas. We rarely ever do that, because it is too risky. When CTI  
21 does take someone up on an investment, it is an excellent opportunity and something

22 no one should pass up. We do a thorough job of researching everything about a  
23 potential investment opportunity, which is commonly called due diligence in our industry.

24 4. In reviewing the Teacher's Pet app, looking at the code was not an option  
25 because we were not an investor yet. Instead, due diligence meant reviewing the app  
26 from the business side of things by checking its usability, user appeal, and marketability.  
27 I cannot disclose all of the details or I would be breaking confidentiality, but I met with  
28 the two Universities – the University of New Mexico (UNM) and Purdue University (PU).  
29 They loved the Teacher's Pet app so much that they were willing to buy a license at a  
30 cost of several thousand dollars per school for their professors to use and charge an  
31 additional \$10 per student to download the app. UNM has approximately 28,000  
32 students and Purdue has approximately 41,000 students. Doing the math indicated very  
33 quickly what a hot app this was and that the demand existed. Clearly, if we invested in  
34 something, it was airtight based on what we were told and through due diligence. It is  
35 not our fault if people lie to us.

36 5. CTI invested \$500,000 in Teachers Pet, LLC – a substantial sum from a  
37 new start-up's point of view. With this investment, CTI purchased 70% stake in the  
38 company and its future profits. Layton Guerrero with Teacher's Pet, LLC indicated the  
39 investment was going to assist with the re-branding, server hosting fees, copyrighting,  
40 patenting, marketing, and infrastructure. I was so impressed with the pitch I threw in an  
41 extra \$50,000 to go towards Layton's college expenses. Soon after our investment, the  
42 patent paperwork was completed and Teacher's Pet, LLC received US patent  
43 #7,345,642, which is marked as Exhibit #8.

44 6. We thought Teacher's Pet could take off. Depending on the details, this

45 could have been the replacement for traditional SAT/ACT study guides in future  
46 applications. In fact, the simplicity of this app and the way it conveyed information had  
47 so many applications to the future. We saw inroads into not just the SAT/ACT study  
48 guide market, but the MCAT and LSAT study guide arenas as well. We saw a money  
49 train coming our way and we wanted to be on board when it hit full steam. And like I  
50 said, when we take an interest in an investment opportunity, we do our due diligence to  
51 protect our investors. After finalizing our investment, CTI immediately hired P.C.  
52 Ormack to do a line by line analysis of the coding to determine full content. This  
53 constituted an additional check on the code. A copy of the due diligence letter is marked  
54 as Exhibit #4.

55 7. Because we were dealing with someone so young, we were going to  
56 make sure every “t” was crossed and every “i” was dotted before we committed to this  
57 investment. To that end, we had multiple conversations with Layton, Layton’s parents,  
58 and Layton’s teacher, Alex Duran. Layton and Alex explained to us the way the app  
59 worked. They pitched us their marketing plan and provided us with details on how they  
60 would use investor funds. This was a good start in providing all of the general  
61 information we require before we make an investment. We required a copy of the LLC  
62 incorporation paperwork for our records, which is marked as Exhibit #2.

63 8. Layton explained to me that there were two versions of Teacher's Pet – a  
64 student version and a teacher version. The teacher version had added functions to  
65 allow teachers to upload assignments, tests, and quizzes, with the added option of  
66 uploading the answers in order to use the AutoGrade feature. Layton assured me that  
67 the two versions could only share certain information and that the teacher version was

68 completely secure. Layton emphasized there was no way for the student version to  
69 access the information uploaded by teachers. Of course, I wanted to be very clear about  
70 that. An app that lets students steal the answers would be unmarketable to schools.

71 9. We are conscientious investors and have a fiduciary duty to our clients to  
72 make sure we are handling their money wisely. Everything seemed to be favorable.  
73 Although this was a start-up situation where a higher degree of risk is expected, we  
74 anticipated only the average amount of risk for an opportunity like this. Unfortunately,  
75 the reason we saw it that way was because Layton was adept at hiding the true purpose  
76 of the app from us. Layton represented Teacher's Pet as an education app and from  
77 everything shown to us that is exactly what it was. In fact, I later learned Layton was  
78 secretly developing an internal program called a "wasp" that allowed the user to cheat.  
79 Both the teacher and student versions of the Teacher's Pet app used a cloud based  
80 server to interact. The wasp allowed the student app to take the information from the  
81 teacher side of the secure server and populate it to the student version.

82 10. I wish we had never heard about Layton Guerrero's education app. In  
83 June of 2017, CTI took note of the popularity of the Teacher's Pet app. It was one of the  
84 most popular apps we had seen in a long time. Though it was popular, we did not  
85 consider pursuing an investment in Teacher's Pet. The popularity of the app is really the  
86 only reason I took Layton's call in September 2017. Layton's presentation was not very  
87 good, but Layton showed a willingness to learn. Layton has a quick mind and is good at  
88 picking up the subtleties and nuances of business. I never saw Layton miss a detail  
89 once its importance was pointed out. I find it so hard to believe that Layton is now  
90 saying the wasp was a mistake or some kind of oversight.

91           11.     Because of the wasp, the student version of the app could access and  
92     disseminate the answers to the student users through the AutoGrade function, which  
93     was only supposed to be available to teachers. Cheating was Teacher's Pet's true  
94     purpose and that purpose was concealed from us.

95           12.     Sometime in December 2017, I found out about the wasp in the app when  
96     I took a call from Jordan King, someone I work with on occasion. Jordan used to be  
97     employed with CTI, but it did not work out. So now, CTI only hires Jordan on expensive  
98     tech based projects. Jordan was calling me to tell me about a kid from Layton's school  
99     who told Jordan about the wasp and the real purpose of Teacher's Pet. There was  
100    some kind of message board where the wasp was being discussed. The kid, later  
101    identified as Cam Pino, knew for a long time about the wasp, but never said anything.  
102    Cam's parents invested in this company too. I think Cam came clean to them and they,  
103    in turn, got in contact with the other investors. Apparently Cam was also talking about  
104    the wasp with other students. It became a topic of the rumor mill with the students using  
105    social media to trade stories. One thing led to another and now the app is no longer  
106    viable.

107          13.     I confronted Layton about the wasp. I told Layton that my firm could not  
108    invest with anyone who might do something unethical. Layton immediately began  
109    apologizing, and swore it was a bug. Layton promised to remove the wasp code and  
110    submit an update to the app store immediately. I was ready to pull the plug right then,  
111    but we had already invested a significant amount of money, half a million to be exact. I  
112    was worried that pulling out might signal to the market that we had no confidence and  
113    then we would lose everything. I decided to give Layton one chance to make it right. I

114 mean, I guess apps can be buggy, after all. Even though Layton acted sorry, it still took  
115 a couple of weeks to get the updated version released. By then, it was too late. iTunes  
116 pulled the application on December 15, 2017, which is what ultimately tanked the  
117 endeavor and lost our clients' money.

118 14. And now, Layton is trying to claim ignorance that the app facilitated  
119 cheating and trying to escape responsibility. If Layton is the technological genius  
120 everyone is claiming, how could Layton not know about this wasp? Jordan King is an  
121 expert in this area and will tell you that there is no way the app developer would not  
122 have known about the wasp.

123 15. In fact, Jordan can tell you that Layton was the one who put it there. I did  
124 not hire Jordan to do the initial due diligence because frankly, Jordan is very expensive  
125 and a little temperamental. I did bring Jordan on after the wasp was found, but by then –  
126 Layton had already ripped off CTI.

127 16. I have worked my way up through the sales ranks and the last thing I want  
128 is a bad reputation. We have never had these kinds of issues before and now we have  
129 to put up with an investigation by the New Mexico Office of the Attorney General's  
130 Fraud and Consumer Protection Division (CPD). The investigation letter I received from  
131 CPD is marked as Exhibit #7. Our clients did not deserve to have their investments put  
132 at risk because of this irresponsible teen that unfortunately can put on a good show  
133 when necessary.

134 17. I have heard of Angel Venture Capital's (AVC) claim that our due diligence  
135 was not sufficient. I have two words for them: sour grapes. Let me fill you in on the  
136 background. Layton was pursuing both AVC and CTI for ground floor start-up investor

137 funds. Obviously, we accepted Layton's proposal and AVC lost out. I think AVC still  
138 invested, but they were not the main investor with all the rights that go along with that  
139 position. AVC is haphazard with their investment money because Shawn Salazar has  
140 so much money. AVC can cover up individual poor investments due to overall portfolio  
141 growth. On the other hand, CTI, as a company that is investing other people's money,  
142 does not play those games and never will no matter how large our portfolio gets in the  
143 future.

144         18. We make sure every investment is sound. As for AVC's suggestion that  
145 this was a normal amount of risk and it was not Layton's fault that our investment went  
146 bad; well, like I said, you have to consider the source. It is clear that AVC sees us as a  
147 legitimate threat to their profits and is using this as an opportunity to take out the  
148 competition. Of course they want to discredit us and cast us as some inexperienced  
149 incompetent investment firm that clients cannot trust. It makes them look better. Believe  
150 me, there is something in it for them when they testify against us.

151         19. And isn't it interesting that Layton chose our company to partner with?  
152 That is clearly an indication that Layton felt our judgment on these issues was more  
153 sound than AVC's. But now that Layton is being called out as a fraud the "runner up" is  
154 being called as a witness? We cannot be accused of failing to exercise due diligence for  
155 failing to discover something that Layton was so expertly hiding from us. Point blank,  
156 Layton lied to us about the intention of the app and we relied on those representations  
157 in making our decision to invest.

158         20. We invested our clients' money in this scheme thinking it was a sound  
159 investment with the normal amount of risk for a start-up that was outweighed by its great

160 potential. Our clients lost a lot of money and our firm lost a lot of money. Worse yet, our  
161 firm lost the trust of some clients. Many of our clients understood and are still faithful to  
162 us, allowing us to correct this over time. But some of our clients took their money  
163 elsewhere. As a result, this has significantly hurt our firm and our reputation.

164 21. Layton told us the Teacher's Pet app was for the purpose of helping fellow  
165 students study, and increasing the learning opportunities for many. It had great  
166 potential. I hope Layton learns a valuable lesson that cheating in life will not lead to  
167 good results. In fact, that is the main reason we are bringing this lawsuit. We will do  
168 everything we can to ensure that Layton learns a lesson. This is what the lawsuit is  
169 about. It is tragic that Layton's dishonesty made other people pay for this lesson as well.  
170 Layton needs to compensate those people.

**WITNESS ADDENDUM**

I have reviewed this statement, and I have nothing of significance to add at this time.  
The material facts are true and correct.

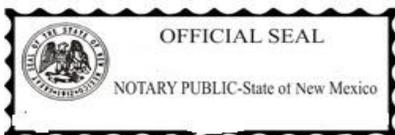
Signed,

Dee Hawkins

Dee Hawkins

**Elowen Rajala**

Elowen Rajala, Notary Public  
State of New Mexico  
My Commission Expires: 12/24/21



Affidavit of  
**CAM PINO**

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1           1.       My name is Cam Pino. I am 19 years old. I guess you could say I am right  
2 in the middle of this tech mess. I have been friends with Layton Guerrero since  
3 kindergarten. Layton is a great code writer. I hate that I had to cause trouble for Layton  
4 and I still consider Layton to be a friend. I can understand why Layton might have some  
5 resentment towards me. But I was caught between a rock and a hard place. I had gone  
6 out of state for college, but when all of this blew up my family could not eat the loss of  
7 my college fund. Because of my financial situation, I had to come home and I am lucky  
8 to be able to afford community college.

9           2.       It may come as a surprise to Creative Technology Investments (CTI) and  
10 iTunes, but Layton started this app as a class project at the start of our junior year in  
11 high school in the fall of 2015. Layton did not have any bad intent. It is not like Layton  
12 wears a Guy Fawkes mask and rolls with Anonymous. Out of our assigned class group,  
13 Layton was far and away the best. Coding is like a language and Layton writes novels  
14 and poetry while the rest of us are still stuck on the five paragraph essay.

15           3.       During our semester long class, Teacher's Pet started out as an app that  
16 allowed teachers and students to communicate with each other through closed  
17 chatrooms that teachers set up. The idea was to provide a forum for class discussions  
18 and a place for teachers to post assignments. We got an A on the project and we all  
19 went our separate ways as far as the class went. But for Layton, s/he saw Teacher's  
20 Pet as incomplete and took the app on personally to make it even better. The group was  
21 fine with that – it was just a grade for us, but for Layton it was a mission. Layton started

22 working on it more and more and even had me help work out some of the bugs.  
23 Eventually, we set Teacher’s Pet up so teachers could create tests that students could  
24 take right on the app. We had a teacher version and a student version of the app, so  
25 that teachers could think they were in control. We created a feature called AutoGrade  
26 for teachers to use when grading quizzes and tests by pushing a button. The app would  
27 compare the students’ answers with the answer key on the server and automatically  
28 enter a grade for each student.

29         4.       The hidden feature on the student version – we called it the “wasp” – gave  
30 students the answers to any test a teacher posted. The user had to pull down a couple  
31 of menus to see it and, unless you knew about the wasp, you would not think to look for  
32 it. You see, it was hidden in part of the drop down menus. Specifically, if the user  
33 clicked on the main menu, then clicked on the Help sub-menu, then scrolled to the  
34 bottom of that menu, AutoGrade would appear in the student version. If the AutoGrade  
35 button was clicked on in the student version, the wasp was activated and the app would  
36 access the server and fill in the test with all the right answers. We did not tell everyone  
37 about the wasp, just some of our original group members from the coding class.

38         5.       The wasp secret did not last long. As soon as Dee Hawkins found out  
39 about it, Layton got raked over the coals. Layton was afraid Dee would pull the funding  
40 — we both were, for that matter. We did not want to get in trouble. Layton said we had  
41 to release an update pronto. I said I would take care of it, and I did. It only took me a  
42 couple of days of intensive coding to get it done. I do not know why it took Layton so  
43 long to submit the update. I swear I did not hide the wasp. I took it out completely.  
44 Honest.

45           6.       So, what is a wasp? A wasp is stealth code. It is when someone puts in  
46 their own code that matches the style of the initial programmer in order to hide who  
47 wrote the code. Of course, this was not a real wasp because we all knew about it. The  
48 wasp is a hidden feature, and we thought the name was cool.

49           7.       Because the app started out as a group project in our computer  
50 programming class, Alex Duran knew about it. Duran was our computer programming  
51 teacher and was also our academic advisor. Everybody thought Duran was super cool,  
52 but I am not so convinced. Duran used to work at some big Silicon Valley firm and made  
53 stacks of money. I guess Duran got sick of the culture or something, though, and turned  
54 over a new leaf and became a teacher. Duran has to be the only teacher in the universe  
55 who drives a Tesla. I guess since Silicon Valley did not work out, Duran decided to be a  
56 big fish in a little pond.

57           8.       Duran only knew about part of the app that we turned in for a grade. The  
58 app advanced even more after the class was over. Duran checked in with us from time  
59 to time about the app and kept encouraging the two of us. We hid the feature that  
60 people eventually started using to cheat.

61           9.       Layton, being the code poet that s/he is, made Teacher's Pet an app that  
62 was actually super useful for legit purposes both for teachers and students. It gave  
63 teachers and students a way to communicate during the learning process and simplified  
64 the test taking and grading process. Duran loved the app's potential. In fact, Duran  
65 talked about how this was a good way to get back into the coding game, being able to  
66 champion a good cause as well as make a ton of money. Duran wanted to ride Layton's  
67 coattails back into coding glory, so I doubt Duran would have cared, even if Duran had

68 known the wasp was in the app.

69           10. By January 2017, Layton got Teacher's Pet on the iTunes app store and it  
70 went nuts. Layton started talking about getting investors and going public, making it  
71 broad based, and applying for a patent. So, there were two tracks going on with this  
72 thing – the wasp that only we knew about and the legit features that Duran and  
73 everyone else saw. It was stupid of Layton to think s/he could maintain the wasp's  
74 secrecy as the app grew in popularity. It should have been obvious that this thing was  
75 going to come off the rails.

76           11. The mess started when Layton became convinced dump trucks of cash  
77 could be made off the app. Layton was sure the app could be sold to colleges for big  
78 license fees plus a fee for each student download. Layton said Duran told some friend  
79 at Angel Venture Capital (AVC) about the app and then everyone went crazy for the  
80 app. Layton decided to work with another investor that had been going after him/her  
81 from Creative Technology Investments (CTI). The plan was that they were going to give  
82 Layton money for the company and soon we would be driving Teslas.

83           12. Layton promoted the app to CTI as a legit learning tool and did not tell  
84 them about the wasp. Layton did not think it was a big deal because once CTI paid up,  
85 Layton would eventually remove the wasp and all would be well. Layton told me to leave  
86 the wasp in at first and it would be personally taken care of later, which made sense at  
87 the time. I have no idea if the wasp was in the version Layton gave to CTI for  
88 evaluation.

89           13. So once CTI backed Teacher's Pet, LLC, the whole thing went public and  
90 everyone's friends and families started investing their life savings. I even convinced my

91 parents to invest in the company, which says a lot since we did not have a lot of money.

92 My mom's contracting business went under after the housing bubble burst.

93         14.     The Teacher's Pet app spread to other schools all over the state and even  
94 to other states. It got amazing reviews on the app store. It blew up on an online  
95 discussion board called Flash. Teachers, students, colleges, and universities all over  
96 the world were talking about it, downloading it, and using it. Even people who did not  
97 know Flash began using this online discussion forum to learn about the app. All the big  
98 tech blogs like Engadget and Gizmodo had posts about the app too. It was amazing and  
99 Layton was very excited.

100         15.     Soon after, the wasp blew up in our faces and we should have seen it  
101 coming. Sure, everyone started using the app for legit purposes, but word of the wasp  
102 got out beyond our original group when someone who had access to our private online  
103 thread discussion on Flash started posting the information as public responses. The  
104 Flash online thread discussion is marked as Exhibit #1. I posted on it as the  
105 "Exterminator" and started posting questions to see if they could tell me more about the  
106 wasp and where it was in the app. I wanted them to point me to the wasp, because we  
107 did not think anyone would be able to find it. Unfortunately, Layton did not remove the  
108 wasp fast enough. Once the wasp was removed, people started reverting back to the  
109 prior version of the app that still had the wasp. Then those same people posted  
110 responses on the forum that leaked to the tech blogs. As a result, Apple removed the  
111 Teacher's Pet app from iTunes December, 2017.

112         16.     I had no idea who Jordan King was before s/he confronted me in the Local  
113 Buzz coffee shop. I should have kept my mouth shut, since I know Layton would have

114 fixed Teacher's Pet before it got out of hand. But what could I do? Here was this old  
115 person I had never seen before telling me all about stuff s/he had no business knowing,  
116 and telling me I was going to prison. Much later, I learned this person was Jordan King.  
117 Jordan revealed s/he could tell exactly what was happening on my computer when I  
118 was logged into Flash while s/he was at the coffee shop, and I guess I panicked. I  
119 should have been more careful. I told Jordan that Layton did not mean any harm and  
120 that I would make it right.

121         17.     First, I went straight to Layton. I told Layton what happened and that  
122 someone that I thought was in law enforcement was on to us. But when I initially could  
123 not even tell Layton the person's name, Layton laughed at me. I have to admit, it did  
124 seem pretty silly. Jordan King never did tell me his/her name, show me a badge, or  
125 anything. In fact, Jordan let me walk right out of the coffee shop. Still, Jordan had a lot  
126 of information and I was worried. Layton told me to relax, as soon as s/he could approve  
127 the update I made to the code it would all be good. Layton said it would have been done  
128 already, but Layton had gotten busy and forgotten all about it. I could believe that  
129 because Layton could be pretty forgetful when focused on something else.

130         18.     Just to make sure the app was cleaned up; I contacted Apple about the  
131 app. I called their 1-800 number. I did not give my name and I said that I wanted to stay  
132 anonymous. I said I was a user of the Teacher's Pet app and that they should check the  
133 code in that app and contact the creator to make sure it got cleaned up. I thought Apple  
134 would make Layton focus on fixing it, and all would be good. Instead, Apple pulled the  
135 app altogether and made a big fuss.

136         19.     Everyone wanted their money back from Layton. But it was all gone. The

137 money was spent on attorneys' fees, server hosting fees, marketing, copyrighting, and  
138 patenting. Layton had even been paid me some money for working on the app. My  
139 parents were furious and when that happens, they go ballistic. Now, they were losing  
140 money on an investment I encouraged them to invest in from the beginning. Suddenly,  
141 my college fund money was gone and all we can afford now is a small community  
142 college in Capital. This was such a hit to us personally that my parents started talking  
143 with lawyers. Good luck getting that plum Apple job I dreamed of for years. I will be  
144 lucky to get a job on the Geek Squad at Best Buy.

145         20. I had to tell my parents what I knew. I hated ratting Layton out and would  
146 never purposely sabotage Teacher's Pet, but I had to. Telling the truth was the only  
147 way. I told my parents and the lawyers everything. I had to worry about my own future  
148 and I was not going to be able to work anywhere as long my name was even slightly  
149 connected with that app. I still think of Layton as a friend and have respect for Layton's  
150 programming skills. But, family and future come first.

**WITNESS ADDENDUM**

I have reviewed this statement, and I have nothing of significance to add at this time.  
The material facts are true and correct.

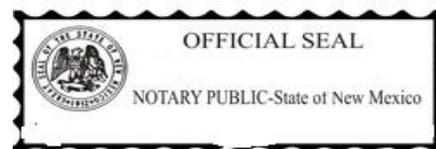
Signed,

Cam Pino

Cam Pino

**A.G. Molli**

A.G. Molli, Notary Public  
State of New Mexico  
My Commission Expires: 4/6/22



Affidavit of  
**JORDAN KING**

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1           1.       My name is Jordan King. I am 45 years old, although I am only telling you  
2 that because I have to. I do not like having to tell you anything, but my attorney said I  
3 had to tell you what I know about Layton Guerrero and Teacher's Pet.

4           2.       Am I a hacker? That is such an ugly word. I mean, one person's hacker is  
5 another person's freedom fighter, or security architect, or intrusion analyst, right? Let's  
6 say I know a few black hats, but I am strictly a white hat these days. A black hat is a  
7 code writer or hacker who uses their skills to create harm, havoc, or theft. A white hat is  
8 a code writer or hacker who works to secure systems and networks. I have heard of  
9 Anonymous, who hasn't? If I was ever involved with it, I would not tell you. I could deny I  
10 was ever involved, but that is what someone in Anonymous would say too, isn't it? I  
11 could use my skills for evil, but now I only use them for good.

12          3.       It is true; I have not always been a white hat. When I was in my teens, sort  
13 of like the kids in this civil trial, I got in some trouble. More specifically, I got caught  
14 bypassing the highway department's security protocols. I was not trying to take  
15 anything. I just wanted to be sure our personal records were secure. As it turns out they  
16 were not. I did a service to the State of New Mexico to find the vulnerabilities of the  
17 system rather than someone who wanted to steal and sell off our personal data.  
18 Unfortunately for me, the State Law Enforcement Division and the FBI Computer  
19 Crimes Division did not think it was so much of a service. Several months after I did it,  
20 they caught me. I was brought before the courts and charged with a truckload of state  
21 and federal cyber-crimes. I ended up pleading out to the lesser crimes at the state level.

22 Part of my plea deal was that I would work for the FBI and for CPD for a period of five  
23 years. I took the deal and stayed out of jail. The FBI and CPD did pay me, but it was a  
24 pitiful salary compared to what I make as a consultant now.

25 4. Speaking of those consulting fees, I have been paid by many police  
26 agencies in the southwest to recover data from computers and other devices that  
27 criminals do not want discovered. I have testified for several large companies  
28 (Samsung, AT&T, and Equifax) in civil trials about corporate espionage, specifically to  
29 show if code was written by a company or merely stolen from another. I am very skilled  
30 at looking at the line by line code to differentiate the nuances from one code writer to  
31 another. Since starting with a clean slate from the FBI and CPD, I have been in the  
32 computer industry legitimately for the last 28 years.

33 5. I suppose some people might call me a hacker, but I prefer the term  
34 “consultant.” That is how I make my living now. I graduated from high school with  
35 honors but it was a joke. I was accepted to MIT and I went there for two years but I  
36 couldn’t see the point in continuing. College computer departments were so far behind  
37 the technological curve at the time you could not see them in the rear-view mirror.  
38 Everything I know I learned on my own or from other “consultants” like me. I am not  
39 picky about who I work for – anyone who has a computer problem and has the cash to  
40 pay, is my friend.

41 6. Yeah, I have worked as a consultant for Creative Technology Investments  
42 (CTI). They did not initially hire me to investigate Layton Guerrero and Teacher’s Pet.  
43 Dee hired P.C. Ormack, who I will say is a good and thorough code writer. Dee hires me

44 from time to time, but I am really expensive so I do not get hired all of the time. I  
45 probably would have charged \$30,000 to review Teacher's Pet coding. I am pretty sure I  
46 would have caught the wasp earlier in the process. Maybe CTI should have hired me  
47 earlier this time and paid the extra money so they would not be in this mess. But, Dee  
48 wanted to save money.

49         7.       I know who Alex Duran is. I have never actually met Alex personally. I  
50 guess I am a little too intimidated when I think of Alex as the leader in coding. Anything  
51 Alex writes is holy writ. I think it is cool that Alex is teaching high school students. I  
52 mean, Alex made enough money to live on any beach in the world and have waiters  
53 bring umbrella drinks for breakfast, lunch, and dinner, but instead Alex decides to pay it  
54 forward and teach. I admire Alex for that.

55         8.       I understand Layton Guerrero took a computer programming class taught  
56 by Alex. Layton's Teacher's Pet app surprised me for how well the code was written. It  
57 was actually pretty cool, even if it was done by a high school student at the time. I will  
58 say the kid has skills. Too bad Layton was not more careful hiding the wasp from  
59 general knowledge. I did not know Cam or Layton before all of this. A hobby I have, to  
60 keep my skills sharp, is to surf the coffee shops. See, coffee shop networks are not  
61 secure – you usually do not need a password and even if you do, everyone in the shop  
62 has the same password and all of their machines are on the same network. If you do  
63 not check the box to make your computer invisible to other users on the network,  
64 someone like me can take over the system and control all of the traffic. This means that  
65 I see everything that comes in or out of your device – emails, texts, websites visited,  
66 blogs, etc. The wrong person could sit in a coffee shop and steal enough identities to

67 ruin a lot of lives. And, it happens all the time.

68           9.     I decided to hack into the system while sitting at the coffee shop called the  
69 Local Buzz, and guess what I found? I found a whole lot of traffic about Teacher’s Pet  
70 and the wasp on the Flash Online Thread Discussion marked as Exhibit #1. It was all  
71 coming from one device in the Local Buzz. I had done enough investigations to  
72 recognize something was up. No fire, if you understand, but lots of smoke – like they  
73 were trying to be careful. I started looking around the coffee shop to see if I could tell  
74 where the laptop was located. It did not take long to spot Cam buried in a laptop.

75           10.    Remember, no one hired me to do anything. I was just working out, if you  
76 will, and this wasp thing pops up. I went over to Cam’s table and sat down. I started  
77 telling Cam everything I saw in the traffic and waited for a response. At first, Cam  
78 looked at me like I was something on the bottom of a shoe and told me I did not know  
79 what I was talking about. Then I explained how I hacked the coffee shop. Cam got this  
80 wide-eyed deer-in-the-headlights look and said, “Please don’t tell CTI. Layton is going to  
81 take it out! I swear!”

82           11.    I had no idea what Cam was talking about, but now I was starting to have  
83 fun. What a small world. As soon as Cam mentioned CTI, I knew CTI must have had an  
84 investment in the app. I told Cam to think long and hard about the future and whether it  
85 included the view from a prison window. Cam said, “I’ll make it right,” and then left  
86 quickly.

87           12.    I decided to call Dee at CTI, because I had worked with Dee in the past. I  
88 let Dee know what I had discovered about Teacher’s Pet. Dee told me about Layton

89 Guerrero and the connection with the app. At that point, Dee decided to have me  
90 conduct a second evaluation of the code in Teacher's Pet. It did not take me long to  
91 take the app apart and find the wasp myself.

92           13. Layton designed an app – more of a platform – called Teacher's Pet. The  
93 platform was designed to allow teachers to create assignments and tests online and  
94 administer them through an app that could be loaded on Macs, PCs, iOS, and Android  
95 devices. All of that is nothing new. Other tech companies have already done that.  
96 Layton's idea was to model the app after similar programs, but make it more user  
97 friendly for teachers and students. Teachers would give assignments or tests, and  
98 students could complete them on the app. The app would score and grade the work,  
99 and keep track of all kinds of stats relating to the assignment. Some of Layton's good  
100 work was in how the app could have an impact on the method of teaching, not just the  
101 process.

102           14. The AutoGrade feature in Teacher's Pet is where Layton messed up. And  
103 by "messed up" I mean completely ruined Teacher's Pet, LLC's credibility and set a  
104 course for a major failure. There was a section of code buried deep in the app that  
105 allowed students to use the AutoGrade feature to cheat. All they had to do was click the  
106 main menu, then click the Help sub-menu from the drop down, and scroll to the bottom  
107 of the Help menu for AutoGrade. When AutoGrade was selected, the wasp was  
108 activated, the server was accessed, and all the answers were populated on the student  
109 version of the test. The wasp was not obvious to anyone using Teacher's Pet, but a gold  
110 mine if you could alert users to it under the radar.

111           15.    Layton told Dee the wasp was a bug. It was only by chance that the wasp  
112 could be discovered by pressing a particular sequence of buttons to make it work. This  
113 was unlikely and as soon as it was discovered, it was fixed. An update supposedly  
114 removed the code from already downloaded versions and the new version did not  
115 include it.

116           16.    The wasp is why Apple shut down the app on iTunes. The stats showed  
117 that far more apps were already installed than updates were being downloaded. So, lots  
118 of students can to this day still cheat on tests if there are any teachers dumb enough to  
119 still use the platform. There is no way it was a bug. It was a hidden feature. Of course,  
120 now that it has been discovered Teacher's Pet, LLC could remove it and try again, but  
121 their reputation is shot. No one will buy the app from them, no matter how good or clean  
122 it is. The best they can hope to do is sell off the patent and salvage what they can from  
123 the wreckage.

124           17.    How do I know the wasp was intentionally put in the app? Easy if you  
125 know anything about code. People think code is all ones and zeros and that it basically  
126 follows rigid mathematical formulas. Code is much more like a language, which is why  
127 they are called computer languages. Real code writers read it, write it, and speak it like  
128 you would the English language. If you read Hamlet knowing it was written by William  
129 Shakespeare and then you read Macbeth without knowing who wrote it, you could still  
130 make a very educated guess that it was also by Shakespeare.

131           18.    Great code writers, like Alex Duran, for example, are like authors of great  
132 literature. They have their own voice and you can hear it when you read their code.

133 They use a particular grammar, a particular syntax, and a particular phrasing. I know  
134 that Layton was coding this project and had three or four other coders working on it, too.  
135 When you look at the code, you can pick out the differences between each author and  
136 tell pretty clearly which author wrote what section. Of course, I cannot tell which  
137 particular person wrote what, but I can see the patterns.

138         19. The wasp in the Teacher's Pet app exhibits the same code style that  
139 appears in the majority of the app. If it were a mistake, you would expect it to look like a  
140 mistake, just like you can tell when a writer made a mistake in a sentence in the middle  
141 of a paragraph. This does not look like that. It flows with all the code around it.

142         20. I know the wasp was intentional. And there is no way that Layton could not  
143 have known about it. In fact, it is pretty clear that this was part of the design from early  
144 on, if not from the beginning. All through the code, you can see where revisions were  
145 made in its development. Part of the revisions' purpose was to find bugs and fix them.  
146 But the wasp section of code was never removed. It was not in the first draft, but it did  
147 show up in every subsequent version. In fact, not only did the wasp not get removed, it  
148 got revised. You do not revise bugs. You take them out.

149         21. There is more. To make the app work, you needed a student version and  
150 a teacher version. The teacher version had the features to create and administer the  
151 tests and the student version was only for taking tests. There are obviously some  
152 differences in coding between the two, but one notable difference is that the wasp code  
153 does not show up in the teacher version. You would not need it there and you would not  
154 want it discovered.

155           22.    Bottom line, there is no way the wasp was a “bug” that showed up  
156 unintentionally. Code is not biological. It does not spontaneously generate. This was a  
157 feature. Sure, it might not have been advertised or obvious, but once you knew it was  
158 there, anyone could take advantage of it.

**WITNESS ADDENDUM**

I have reviewed this statement, and I have nothing of significance to add at this time.  
The material facts are true and correct.

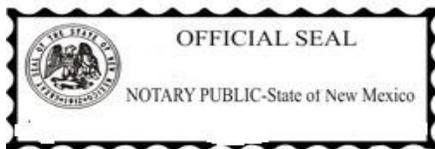
Signed,

Jordan King

Jordan King

C.H. Gallant

C.H. Gallant, Notary Public  
State of New Mexico  
My Commission Expires: 3/15/24



Affidavit of  
**LAYTON GUERRERO**

---

1           1.     My name is Layton Guerrero. I am 19 years old. I am a sophomore at  
2     University of New Mexico (UNM). In 2017, I graduated from Escalante High School in  
3     Capital. I got accepted into several good engineering schools, but in the end I decided  
4     to go to UNM. UNM's Computer Engineering Program is a quality program that focuses  
5     on practical experience. And with all of my practical experience as an app developer,  
6     this is the kind of program I need.

7           2.     UNM was excited to take me into the program because having the  
8     developer of the Teacher's Pet App could get them some national recognition. Besides,  
9     my parents are both former track stars at UNM, so it is important for me to keep the  
10    family tradition. It is not so much about where you go to school, but what you do with the  
11    opportunities once you are there. At least that is what Alex Duran told me. Duran was  
12    my advisor and teacher and is a mentor to me to this day.

13          3.     You could say that I have always been curious about technology, which I  
14    have to tell you can be a little difficult in a family like mine. Like I said, both of my  
15    parents were track stars at UNM and all my brothers and sisters have gone to college  
16    on athletic scholarships. Then there is me: the family geek – not an ounce of athletic  
17    ability in me. When I was little, my brothers and sisters used to call me FedEx. The joke  
18    was that I was not a real Guerrero. Instead, FedEx dropped me off on the front porch  
19    one day. But, hey, I am pretty sure I bring up the overall family IQ.

20          4.     I am kind of the poster child for Science Technology Engineering and  
21    Math also known as STEM. When other kids were learning how to read on their

22 LeapFrog, I was already taking it apart to figure out how it worked. When my brothers  
23 and sisters were playing tennis or running, I was learning how to build BattleBots at the  
24 YMCA Engineering and Robotics Club. The Robotics Club is also where I met Cam  
25 Pino. Still to this day, I am not sure why Cam wanted to be part of that group. Cam has  
26 never been that strong at technology. And, if it were not for me – Cam would have no  
27 skills at all. I taught Cam everything s/he knows. Still to this day, I am pretty sure Cam  
28 would be lost without my input. At the time we met, I think Cam needed a place to fit in  
29 and has been tagging along with the smarter kids ever since.

30         5.       Or, you might say Cam has bought his/her way into things. Cam is one of  
31 those people who was born into a family that always had a lot of money. Cam's mom is,  
32 or I should say was, one of the biggest contractors in New Mexico. When the housing  
33 bubble burst, Cam's mom spent several years trying to hold the company together. In  
34 the end, Cam's family lost pretty much everything and had to make serious lifestyle  
35 changes. Cam's family was all about worshiping the almighty dollar. Having to live like  
36 the rest of us was rough on all of them.

37         6.       I am sure financial hardship is why Cam is trying to make me into the  
38 villain in all of this. I guess misery does love company, especially misery who was facing  
39 the possibility of flunking some classes and not being able to walk with the rest of us at  
40 graduation. Cam was jealous that I have had success because of my own skills and  
41 abilities. When I think about it, Cam has always been jealous of me.

42         7.       It probably goes without saying, but after all that has happened, Cam and I  
43 are not good friends anymore. We were pretty much inseparable since the day when  
44 Cam asked to join in BattleBots with me at the Y, until everything happened with the

45 wasp. Now, Cam is filled with so much bitterness not being the rich kid anymore. Cam  
46 never had what it took to do what I do with technology and so I guess Cam is getting  
47 notoriety in any way possible – no matter who it hurts and regardless of the truth.

48 8. So back to my app: Teacher’s Pet. Cam and I were so excited when we  
49 found out about Duran’s semester long computer programming class the start of our  
50 junior year. In most computer science classes, students learn theory and might get to do  
51 some coding exercises, but that is not how Duran taught it. In our class, we worked in  
52 small groups to create mobile apps from the ground up. This meant from initial concept  
53 to completed product we were the designers. The class was not just a bunch of theory.  
54 We were digging in and doing the work.

55 9. At first, we learned about some basic tools, like Adobe Flash, Photoshop,  
56 and Action Script that let us test what we were building. We were learning coding, but  
57 we were learning it in a practical way that we could use to make things. It was  
58 awesome. After a few weeks, everyone in the class sort of knew what part of the  
59 process they were best fitted for and most interested in doing. We were then split into  
60 groups and assigned duties based on what we liked – things like information architect,  
61 graphic designer, and bug tester. Cam was in my group and was the bug tester. I was  
62 the main coder and information architect in the group.

63 10. By the end of the semester, we had a prototype and Teacher’s Pet was  
64 born. Unless you are not into technology or have not seen news reports, you probably  
65 know about Teacher’s Pet. Teacher’s Pet started as an app for online classroom  
66 discussions, which is very similar to a classroom in cyberspace. All of this came about  
67 because of a high school class. How awesome is that? Well, we got an “A” on the

68 project and the class was over. I kept feeling like Teacher's Pet could do more, so I  
69 talked with Duran and my group members. They were all fine with me working on it and  
70 personally taking the app to the next level. For them, it was an assignment and for me it  
71 was a passion. With more development, the app was going to be amazing. I had Cam  
72 help me with some on the bugs, since that was Cam's specialty. Duran was not only my  
73 teacher and academic advisor, but also my mentor, supporting me all the way with  
74 developing this app to the next level. And almost a year later, January 2017, Teacher's  
75 Pet was on iTunes.

76       11. To this day, I still claim that my coding class was the best class I ever had.  
77 It was the most fun, interesting, and it had the most important impact on my future.  
78 Since that class, Duran has continued to be my mentor. Duran made high school a  
79 great experience for me. Because of coding, Duran and I had a great connection. On  
80 August 26, 2017, Duran helped me turn Teacher's Pet into a company and laid all the  
81 groundwork for getting this app developed, published, and patented. To get the patent,  
82 Duran had me record every detail involved in the invention of Teacher's Pet, including  
83 how I came up with the idea. In the application we filed with the U.S. Patent and  
84 Trademark Office (USPTO) we had to show that Teacher's Pet was novel, not identical  
85 to another invention and non-obvious, was a significant advance over prior inventions,  
86 had utility, that the invention offered some benefit, and enablement, a sufficient  
87 description of the invention and how it works. After applying and paying the fees, the  
88 USPTO approved and then granted a patent for Teacher's Pet in October of 2017. A  
89 copy of the Teacher's Pet, LLC incorporation documents is marked as Exhibit #2. And,  
90 a copy of the patent is marked as Exhibit #8.

91           12.    I do not know what it would have been like for me without Duran in my life.  
92 I listen to what s/he has to say because Duran never steers me wrong. I know some  
93 people act like Duran is flaky or maybe manipulating me, but most people are not on the  
94 same level as Duran. When you are that much smarter than everyone around you, you  
95 can often be misunderstood. But Duran is a very decent human being and an even  
96 better educator. Schools need more people like Duran.

97           13.    I spent a lot of my spare time fine tuning Teacher’s Pet. I knew that, in  
98 order to make this app something special, the focus should be on keeping a few core  
99 features simple. From that focus, the AutoGrade feature was born. That part of the app  
100 allowed teachers to post tests and quizzes and for students to take the tests and  
101 quizzes and then submit them for grading. AutoGrade was part of the teacher version of  
102 the app only, which was made available through a key code given to the schools that  
103 purchased the app’s license. The student version of the app did not have AutoGrade.

104           14.    I announced the Teacher’s Pet app on some social media sites making  
105 the trial version of the app available for free to schools and students for a six month trial  
106 period while it was in the beta testing. The beta testing ended when the app went live on  
107 iTunes, and everything moved from the school based server to a paid server. The  
108 server space to host this app was costing my parents a fortune, but I convinced them of  
109 its potential for making it big and they supported me. With the Teacher’s Pet app,  
110 teachers could load an answer key into their version of Teacher’s Pet and when a  
111 student took a test on the app, the test would automatically be graded and returned to  
112 the student with a grade. It was a slick system and worked incredibly well until someone  
113 went into the app and created a back door called a “wasp.” The wasp allowed students

114 who knew where to find it, to push a button and the test would auto fill with the correct  
115 answers. This was never my intention and was not how I designed Teacher's Pet to  
116 work. I did not add the back door wasp.

117 15. I have my suspicions that Cam created the wasp. Cam not only had  
118 motive to cheat by using the app in order to graduate high school, but it would definitely  
119 have to be someone who knows my coding style or knows how to copy my style. You  
120 have to ask yourself: who had the most motive to do something like this? Not me. I did  
121 not add it and I never told Cam to add it either.

122 16. I definitely spent a lot of time on Flash, which is an online discussion  
123 forum where coders hang out. Most developers are not about competition. They are  
124 about making cool stuff, getting support, and using our big brains to solve problems. I  
125 definitely spent time on the Flash thread where information about the wasp was posted.  
126 I never saw the discussion about the wasp on the Flash, which is marked as Exhibit #1.  
127 Anyone can follow certain threads without seeing others on Flash.

128 17. For all of those people older than 40, who do not understand a Flash  
129 thread discussion, let me explain it. Anyone can post on Flash after signing up with a  
130 username and password. There are tons of different streams or categories of topics all  
131 related to coding. Just pick the topic of interest, and follow that discussion. The  
132 downside to Flash is that there are so many discussions; you cannot keep up with all of  
133 them even if you tried.

134 18. I have to say, this whole thing feels like something Cam would do. Cam is  
135 known for taking the easy way out. Any time something goes wrong, Cam tries to put  
136 the blame on someone else and not take personal responsibility. Cam's family invested

137 in Teacher's Pet, LLC. Cam probably thought with the wasp there, more students would  
138 purchase and download the app. The more downloads, the more money coming in the  
139 door.

140 19. You know how the Internet works. By the time the app was ready to be  
141 officially rebranded, word of the wasp had spread. People started calling it "Cheater's  
142 Pet." As soon as I found out what was going on, I removed the bug and made the  
143 program legit, but it was too late. On December 15, 2017, Apple pulled Teacher's Pet  
144 from iTunes and banned me from putting it back up again until Apple was sure there  
145 was no way for the app to be used for unethical purposes. I guess some people lost  
146 money. I am not sure how all that works. Duran and Dee Hawkins from Creative  
147 Technology Investments (CTI) were taking care of all of that.

148 20. At first, I did not care if I was making something I could sell. I wanted to  
149 see if I could get it to work. It was the whole LeapFrog experience all over again. But  
150 then everyone around me started seeing dollar signs. Duran convinced my parents that  
151 I was on to something. My parents knew nothing about technology and put all of their  
152 trust into Duran to know what s/he was talking about. My parents were relieved that I  
153 could have a path to college, since it was clear I was not going to get an athletic  
154 scholarship. Cam's parents saw a way to get back on their feet again too. The only one  
155 who did not care about the money side of this whole thing was me. I only wanted to see  
156 if my app would work.

157 21. While Duran contacted Shawn Salazar with Angel Venture Capital (AVC)  
158 as a potential investor, Dee Hawkins of CTI was also asking for a pitch. Dee Hawkins  
159 was not happy that CTI might have to compete with AVC for the privilege of buying a

160 share in Teacher's Pet, LLC. First, I gave a PowerPoint presentation to AVC, which is  
161 marked as Exhibit #3. We talked about how AVC could invest some money in my  
162 company and get other people to invest too. With more investors, the app could be  
163 rolled out to colleges because that is where all the big money is. If the two largest  
164 colleges in NM bought into the app between license fees and downloads, there was a  
165 fortune to be gained. It was suggested that the license fee could go for a few thousand  
166 dollars. The download fee could be priced at around \$10 per download. And, with  
167 approximately 62K students between the two largest colleges in the state alone, the app  
168 was to make some serious money if it went global. I guess Salazar saw a lot of potential  
169 in what I was doing. Salazar also met with my parents and I could tell they were not  
170 buying Salazar's pitch, even though Salazar was going to offer more than half a million  
171 dollars for the investment and an extra 150K toward my college expenses. I heard my  
172 dad say it was like talking to a desperate sales person. I gave the same PowerPoint  
173 presentation to CTI. But, I want to be clear. Hawkins wanted CTI to invest in my  
174 company.

175         22. I remember thinking this must have been what my brothers and sisters felt  
176 like when all the college recruiters were courting them. I have to admit that I felt a little  
177 like a rock star. I mean, these adults were in a bidding war on who could make me more  
178 money. It was a little hard to wrap my head around. In the end, I decided to let Hawkins  
179 and CTI handle the investing for the Teacher's Pet, LLC, because my parents said that  
180 they did not have a great feeling about AVC. I guess Salazar creeped my parents out.  
181 And, once they make up their minds about something they never let it go. Hawkins and  
182 CTI paid 500K to own seventy percent of the company and future profits. Hawkins even

183 came up with 50K towards my education at UNM. Knowing Hawkins now though, it was  
184 probably just a donation/tax write off to his/her alma mater.

185         23.     On September 23, 2017, I turned 18. On the fifth of October, I signed an  
186 agreement with CTI. A couple of months later, the wasp was found and, by December  
187 15, 2017, iTunes had pulled my app. Almost a week later, I was copied on a letter from  
188 the NM Attorney General's State Law Enforcement Division to CTI notifying them of an  
189 investigation regarding the Teacher's Pet app, which is marked as Exhibit #7. Then,  
190 right after school started back in January 2018; some dude shows up at my school and  
191 serves me with these papers saying I was being sued for negligent misrepresentation  
192 and fraud.

193         24.     I do know this: I did not do anything wrong. I did not make Teacher's Pet  
194 so people could cheat. I did not add the back-door wasp. I know there were people who  
195 lost a lot of money, including Hawkins, Cam's parents and other investors, but that has  
196 nothing to do with me. I was not trying to trick anyone. I was only trying to make  
197 something cool and useful. That is all I have ever cared about.

198         25.     I hope someone gives me another chance to move forward with Teacher's  
199 Pet. I have already removed the bad code and disabled the older version with the wasp.  
200 This app was meant to help a lot of teachers and students. I do not understand why  
201 everyone is making such a big deal out of all of this. I can provide the updated app if I  
202 could only get a second chance.

**WITNESS ADDENDUM**

I have reviewed this statement, and I have nothing of significance to add at this time.  
The material facts are true and correct.

Signed,

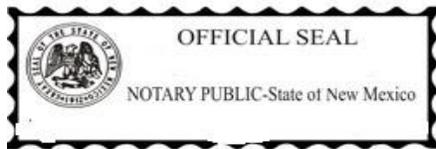
Layton Guerrero

Layton Guerrero

Michala Watson

Michala Watson, Notary Public  
State of New Mexico

My Commission Expires: 7/15/25



Affidavit of

**SHAWN SALAZAR**

---

1           1.       My name is Shawn Salazar and I am a sixty-seven-year-old venture  
2 capitalist. I was born on September 18, 1950. I grew up in Bloomington, Indiana. I  
3 graduated from Massachusetts Institute for Technology (MIT) with a degree in  
4 economics. Rather than becoming bored with academics, I wanted in on the action of  
5 the stock market. I went to work for Mike Milken at Drexel, Burnham & Lambert. I  
6 learned all about the adrenaline rush of picking, pushing, and selling stocks and bonds  
7 quickly. I think the indictment and conviction of Milken was a raw deal. His conviction  
8 made “Junk Bonds” a dirty word on Wall Street. Milken has become a better man for all  
9 he suffered. I expanded his ideas of philanthropy, investing in new education and  
10 technology start-ups. This is how I became involved with Layton Guerrero and the  
11 Teacher’s Pet app.

12           2.       I am currently the sole owner and investor at Angel Venture Capital (AVC),  
13 my personal investment company located in Greenville, New Mexico. Given my  
14 relationship with Milken, I was banned by the Securities and Exchange Commission  
15 from having anything to do with other people’s money. All the money I invest now is my  
16 own. I have been helping fund start-up companies for 25 years. I am very passionate  
17 about what I do, and I must say, I am very good at it, too! I have been invited to speak  
18 at the annual MIT Venture Capital and Innovation Conference in Boston for the last ten  
19 years.

20           3.       Because I am good at what I do, I have testified as an expert before,

21 although I am not being paid to testify for this case. I think it is more important to keep a  
22 kid from getting railroaded by a company that did not do its homework than making  
23 money testifying. And I would love to be able to take over the investment in Teacher's  
24 Pet, LLC. I have testified for the plaintiffs in eight cases and for the defendants in  
25 another twelve. I get lots of offers and turn most of them down. People like me to testify,  
26 not only because of my vast experience, but because I am a straight shooter and I tell it  
27 like it is.

28           4.       My job can be stressful because sometimes I lose money. This is where  
29 expertise comes in to play. I have to make calculated risks all of the time, but a  
30 calculated risk is still a risk, which is the nature of my business. I do my "due diligence,"  
31 but there are always some unknowns. Sometimes the chips fall in my favor making me  
32 a lot of money and sometimes they don't.

33           5.       I have known Alex Duran for about twenty years. We met at one of the  
34 annual Allen & Company Conferences in Sun Valley. This is the business event that all  
35 the big dogs come to every year. Alex was still running Gem Technology s/he started  
36 back when we first met. After Alex was forced out by Gem Technology following a bad  
37 climbing accident in Tibet, I encouraged him/her to move to New Mexico. I thought it  
38 would be good for Alex to get as far away from Silicon Valley as possible, both  
39 physically and culturally. People did not know Alex as well here. They were perfectly  
40 willing to believe Alex left California voluntarily in order to get out of the rat race. Hey, it  
41 worked for me when I needed a new address after the whole junk bond fiasco. Alex  
42 turned out to be a great teacher, not that I am surprised. Alex has incredibly good  
43 instincts when it comes to promising investment opportunities and students.

44           6.       Alex is the one who introduced me to Layton Guerrero. Alex considered  
45 Layton to be a promising genius. Alex could not say enough good things about Layton  
46 in the emails we exchanged, which have been marked as Exhibit #5 and Exhibit #6. I  
47 think Alex saw Layton as a younger version of her/himself, and, to be frank, a way back  
48 to Silicon Valley. Alex never really got over what happened at Gem Technology.  
49 Imagine a company you built from scratch kicking you out on the street. If Layton's app  
50 was successful, it would be a way for Alex to shove it back in their faces and maybe  
51 even get back into the business.

52           7.       Alex told me Layton had created an app called Teacher's Pet. The way  
53 Alex described it; I thought this Layton kid was worth evaluating. Since Alex was so  
54 emotionally invested in Layton, I honestly was not sure at first who was the coding  
55 genius – Layton or Alex – so I wanted to check Layton out for myself.

56           8.       I invited Layton over to my office to meet and talk about Teacher's Pet.  
57 Alex came along and made the introductions. Layton presented a PowerPoint  
58 presentation marked as Exhibit #3. I was impressed and I think Layton certainly  
59 understood the technology and it's potential. Sure, I could see a huge Alex influence,  
60 but I could also see that Layton had an independent insight and business sense along  
61 with a need to monetize or earn revenue from Teacher's Pet. Lots of questions were  
62 asked of me, mostly about business, investing, and how the education technology  
63 investment market works. Layton was particularly interested in how the due diligence  
64 process worked. Layton wanted to get Teacher's Pet wide spread. Layton already had  
65 the app on iTunes and it was in beta testing.

66           9.     Layton and I met several times over the course of a few weeks including  
67 meeting with Layton's parents. Layton brought me a copy the LLC papers for Teacher's  
68 Pet as soon as it came in, which is marked at Exhibit #2. I decided to back Teacher's  
69 Pet. Unlike Creative Technology Investments (CTI), AVC specializes in funding start-up  
70 companies like Layton's. I believed the app had incredible potential. The market is  
71 almost unlimited and the app could have revolutionized teaching and learning. I thought  
72 there were possibilities for the SAT, ACT, MCAT, LSAT, GRE and beyond.

73           10.    I offered Layton a lot of money – far more than the petty \$500,000 CTI  
74 was willing to put up. In fact, I was willing to pay additional money for Layton's four  
75 years of college, which was also far more than the \$50,000 scholarship CTI paid in  
76 addition to the investment. AVC's investment would have made it possible for re-  
77 launching the app in increments, plus marketing, copyrighting, server hosting fees,  
78 infrastructure, and so much more. Unfortunately, it was not to be. Apparently, Layton's  
79 folks did not like me – not southwestern enough for them, I guess. Layton accepted  
80 CTI's offer, which ended up being a huge mistake for everyone involved.

81           11.    Not that I am bitter about it. I did end up making a small investment in  
82 Teacher's Pet – not the amount I was hoping, only \$150,000. I had to take a  
83 subordinate position to CTI, but I still thought it was worth backing such a promising kid.  
84 After investing, I was able to have access to a copy of the patent for Teacher's Pet,  
85 which is marked as Exhibit #8.

86           12.    CTI is much more conservative than AVC, and therefore much less  
87 profitable. Then again, I suppose the risk only has rewards if you choose wisely. In this

88 case, I think CTI stepped out of its comfort zone. CTI likely saw the same potential and  
89 future implications I did. However, this type of investment is not their specialty. CTI has  
90 been stung by start-ups before or, should I say, by their own ignorance of start-ups.  
91 They do not typically fund start-ups because they consider those types of investments  
92 too risky. A start-up is a special breed of business entity. It is not much different than  
93 people — you would not treat an infant the same way you would treat an adult.

94 13. For example, take this “wasp” thing. You cannot do your due diligence on  
95 a start-up the same way you would do it for a seasoned company. You have to dig a lot  
96 deeper since you are dealing with someone without a track record. At the same time,  
97 because of that lack of a track record, you cannot always dig as deep as you would like.  
98 I think the wasp could have been discovered if CTI knew what they were doing. How  
99 can you not click everything clickable in a brand new app? How could you miss a link  
100 like that? I do not care that it was buried in the Help menu. You check it all, not just the  
101 surface features.

102 14. That is why this whole debacle is more the fault of CTI than anyone else.  
103 At the first whiff of the wasp, Dee Hawkins freaked out and had kittens. And when an  
104 investment company has kittens, people take notice, and they start having kittens too.  
105 Next thing you know, you have a whole herd of cats! What Dee should have done is  
106 what I did when I heard about the wasp – shut up, relax, take a deep breath, and then  
107 start doing damage control. A simple press release saying they had found a minor glitch  
108 and it would be fixed immediately would have gone a long way toward solving the  
109 problem. Instead, they acted like they wanted to flush money down the toilet.

110           15.    I did find out about this wasp. You might wonder about my own investment  
111   smarts, but you have to consider how a lot of these tech deals are done. Investors in  
112   tech start-ups have tons of money. To drop a million here or a million there is nothing to  
113   people like me. Some investments pay off, others do not. You play the averages, and  
114   over time you will make a killing. Most of the “due diligence” tech investors conduct  
115   involves playing with the app or looking at the website and saying, “Hey, cool!” We are  
116   far more interested in the people than the product. Why do you think some of the big  
117   investment companies have tech camps? They could care less about the app. Those  
118   investors are backing the people. If they see someone smart, with a good idea who can  
119   make things happen, they will put money on the line. A particular whiz-bang idea might  
120   tank, but if the person is right then another good idea will not be too far behind.

121           16.    Layton is that kind of person. The Teacher’s Pet app might or might not be  
122   salvageable at this point, but even if it is not, Layton will come up with something else.  
123   Layton is a very smart kid. Even if I had found out about the wasp before spending a  
124   dime, I still would have written the check. Code can be fixed and re-written, if  
125   necessary. Most apps go through tons of revisions. If tech investors are one thing, it is  
126   patient. Stuff happens, but it gets worked out. If Dee is saying CTI would not have  
127   invested if they had known about the wasp, that shows how naïve Dee is. No savvy tech  
128   investor would have ever let something like the wasp scare them away. If you do not  
129   like roller coasters with the ups and downs, then stick to the merry-go-round.

130           17.    I lost money in this, too, but you do not hear me crying about it. It is my  
131   own fault for putting money in a company that CTI was the lead investor. I should have  
132   known better only for that reason. If AVC had been the lead investor, we would not be

133 talking about this. But that is the nature of risk. You pay your money and you take your  
134 chances. I have got plenty of money to risk, so I can live with it. A good rule for anyone  
135 in this business is never to invest more than you are willing to lose. I am willing to lose it  
136 because I see the bigger picture. The Teacher's Pet app still has the potential to  
137 revolutionize education. I want to be part of that.

138           18. Not only could this have been fixed at the time, in my opinion it is still  
139 salvageable. Take out the wasp, refocus, rebrand, relaunch, and we have still got a  
140 winner on our hands. At least, we do if this lawsuit ends like it should. Layton could start  
141 over with an investor who knows how to roll a product out. That investor should be AVC.

142           19. No way do I blame Layton for this. Layton is too smart. There was too  
143 much at stake. I cannot believe Layton would intentionally put a stupid cheat feature in  
144 the app and risk everything. I still consider Layton and the Teacher's Pet app a horse  
145 worth backing.

146           20. Now CTI is embarrassed and is scrambling to save face with its investors.  
147 CTI failed in their due diligence and got caught. It is bad. It is also a sad and common  
148 commentary on society when you get right down to it – find a scapegoat and blame  
149 someone for your own mistakes.

**WITNESS ADDENDUM**

I have reviewed this statement, and I have nothing of significance to add at this time.  
The material facts are true and correct.

Signed,

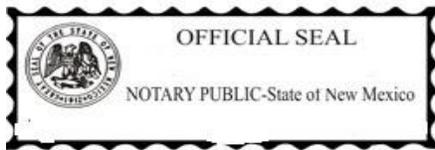
Shawn Salazar

Shawn Salazar

Miriam Wrenn

Miriam Wrenn, Notary Public  
State of New Mexico

My Commission Expires: 1/1/25



Affidavit of  
**ALEX DURAN**

---

1           1.       Make the world a better place. This is my personal motto and reason for  
2 existence. It applies to everything I have done and everything I will ever do. I have  
3 always been and will always be dedicated to enhancing the lives of others.

4           2.       My name is Alex Duran. I got my start in Silicon Valley in the late 80s, a  
5 time of unrivaled digital movement. After high school, I went to the University of  
6 California at San Francisco (UCSF) for two years. Then I had an epiphany that I needed  
7 to go someplace quiet and find my bliss, so I dropped out of college. I became  
8 energized by a quiet period in which I studied coding and computer programming to a  
9 level no one will ever understand. As a result, I developed a digital platform for photo  
10 manipulation. Within a year, my Gem platform was branded and made money with  
11 representation in both Mac and PC computers.

12          3.       To this day, Gem is still the most licensed digital platform in the world in  
13 every e-sector. In fact, the technology I created allows you to treat your cell phone like a  
14 canvas for making art out of photos. Gem fulfills basic human needs – simplicity,  
15 usability, and soul-satisfying elegance. And that is why I named my company after the  
16 digital platform I created: Gem Technology, which was on the cutting edge.

17          4.       I also became a one dollar millionaire, if you know what I mean. I took a  
18 one dollar annual salary because it is all about learning and positioning – not money.  
19 Really, who cares about a salary when you already have millions? Like Bill Gates said,  
20 “Once you get beyond a million dollars, it is still the same hamburger.” And the one  
21 dollar salary had tax benefits too. But, let’s just say that money will never be an issue,

22 except when it opens me and my protégés up to frivolous lawsuits of circling vultures  
23 like Dee Hawkins and Creative Technology Investments (CTI).

24 5. I am not part of my company, Gem, any longer. I thought I would stay with  
25 Gem for the remainder of my career; really for the remainder of my life – but I got  
26 pushed out of the nest after my accident. About fifteen years ago, I was mountain  
27 climbing in Tibet when I fell and suffered a severe head trauma. It took me almost a  
28 year to recover from the injury.

29 6. During the time I was recovering, the Gem Board of Directors claimed that  
30 my brain injury was affecting my ability to run the company and that I had become a  
31 liability. The new Board members bought enough shares to have a majority stake and  
32 forced me out of my own company.

33 7. There was no legitimacy to their accusation that I was incapable of  
34 running the company I had started. I suppose I could have fought to keep it, but  
35 sometimes the universe sends you a sign that you need to let go and move on.  
36 Between my ownership shares and a very generous severance package, I have enough  
37 money to do whatever I want with my life.

38 8. I regrouped after losing my company and went back to UCSF. I finished  
39 my Bachelors degree in computer science and got my Masters Degree in education,  
40 and then earned my teaching certificate. After I earned these degrees and certificate, I  
41 worked as a computer programmer at Microsoft. But California was not the same as it  
42 had been in the early 80's when I started. It had gotten too big and maybe a little too hip  
43 for its own good.

44 9. A friend of mine, Shawn Salazar, sent me an announcement about a

45 shortage of teachers in New Mexico. I put two and two together – a state that would be  
46 great to live and needed dedicated teachers. New Mexico turned out to be a perfect fit  
47 for me. I have taught computer science in New Mexico since I moved here. I love  
48 sharing my computer skills and knowledge with the kids as this growing technology  
49 expands at such a rapid pace..

50         10.     Fast forward to the present issue: Teacher’s Pet. I think it is important to  
51 get it out there that Layton Guerrero is being pushed out of something that rightfully  
52 belongs to Layton, like Gem belonged to me. Because I have gotten to know Layton  
53 serving as his/her teacher, academic advisor, and now mentor; I can say that I see a lot  
54 of myself in him/her. Like Layton, as a young person, I was not necessarily a prodigy,  
55 but intelligent and determined to learn. With subtle coaxing an incredible coding voice  
56 could be developed. Certainly the voice is still raw, but Layton is firmly on the path  
57 towards genius.

58         11.     Layton initially developed Teacher’s Pet as an app in my computer  
59 programming class, along with some other students, including Cam Pino. It started as a  
60 horizontal knowledge distribution solution – a communication tool. After the semester  
61 class, I encouraged Layton to see how far the app might go – you know; think globally,  
62 act locally – start with your classmates but nurture a broader vision of adoption. Sure,  
63 that is ambitious, but that is the core of coding.

64         12.     I believe the Teacher’s Pet was a very well written app. Incredible,  
65 actually. I had never seen anything like it – except for my own work on Gem. It was  
66 structurally refined. Almost elegant. Layton and the other students on the design team  
67 exchanged messages on a platform that worked with extreme efficiency. But as we all

68 say, content is king. Once Layton's concept began to develop, with my mentoring, the  
69 content appeared to Layton. The idea was to include teachers in this digital community.  
70 It became a fully integrated education solution where students would interact with each  
71 other and their teachers who could monitor the app and respond in real time.

72 13. I divided the class into small groups of four to five students. Layton's  
73 group was not yet capable of understanding what it meant to speak with a graceful  
74 digital voice. Layton is a person who can sing a beautiful aria, but in our class, Layton  
75 was being forced to sing that lovely song while being backed up by a heavy metal band.  
76 There was no coding harmony.

77 14. Some of Layton's group members were not so much programmers or  
78 computer code writers as they were cheerleaders and followers. These are the type of  
79 people who you cannot tell whether they are part of your engineering team or your sales  
80 team. They talk code, but they were all flash and no substance. I am specifically  
81 referring to Cam.

82 15. I know Cam all too well. I became Cam's academic advisor his/her  
83 freshman year. Cam was caught cheating on an English exam by hiding the answers up  
84 his/her sleeve. In my class alone, Cam was not doing very well. I always tried to keep  
85 an eye out for cheating when it came to Cam. I spent a lot of time encouraging Cam to  
86 study and commit to learning. I emphasized to all of my students that if the cheating did  
87 not stop, graduating high school, much less going to college was not going to be an  
88 option.

89 16. I remember Cam's main interest in my computer programming class at  
90 first was what their coding nicknames would be. Somehow assigning nicknames was

91 the most important task. Cam named him/herself “The Exterminator.” I guess this name  
92 was chosen since Cam was the person in charge of taking care of any bugs in the  
93 Teacher’s Pet app. In retrospect, it was probably the perfect nickname for Cam, as  
94 someone who kills creativity, and likely the person who committed an act of murder on  
95 Teacher’s Pet.

96         17. At first, I thought Cam was a very warm person, someone who was likable  
97 and moved easily between groups and tasks. It is my job as a teacher and as an  
98 academic advisor to try to find the light in all of my students. But after watching Cam for  
99 awhile, I realized that Cam doesn’t so much move between groups, but slithers.

100         18. Cam definitely has a dark side. It breaks my heart to see this in someone  
101 who could be so capable of being a good student, but is too caught up in laziness and  
102 entitlement to put in the necessary work. This, of course, means Cam was always on  
103 the verge of flunking my class. Cam simply does not have that spark inside like Layton  
104 does. I thought Layton should be cautious of Cam and I told Layton so.

105         19. I once overheard Cam talking to some of the other students in the  
106 Teacher’s Pet development group when Layton was not around. Cam said something  
107 about how it would be so easy to go in and mess with the app. Cam indicated that s/he  
108 and Layton had been programming together practically their whole lives and that Cam  
109 knew Layton’s programming style inside and out. After the Teacher’s Pet app had been  
110 turned in for a grade and the semester was over, Layton asked the group members and  
111 me, if it would be okay to rework the app into something more. Everyone was fine with  
112 that as it was just a class project to them. So, I was shocked when Layton asked Cam  
113 to assist on the evolution of the Teacher’s Pet app.

114           20.    I know Jordan King thinks the wasp was Layton's doing. Back in the day, I  
115 turned Jordan down for coding positions every six months. Jordan's work was rubbish  
116 then and it still belongs in the compost bin now. The only reason Jordan still does  
117 programming work is by working for people who do not know the difference between  
118 well written code and a fortune cookie.

119           21.    For Jordan to say that the wasp had to be added to the app by Layton  
120 proves Jordan does not know what s/he is talking about. By its very nature, wasp coding  
121 is meant to match the style of another coder with no trace left behind. There was a  
122 whole group of students who had access to the Teacher's Pet platform, including Cam.

123           22.    With my influence, Layton was able to develop Teacher's Pet into an  
124 extraordinary and useful app. I saw genuine promise in it. Although I hate to  
125 exaggerate, I thought Teacher's Pet might make it commercially and Layton deserved  
126 an opportunity to globalize. I helped Layton start the process toward getting a patent,  
127 which was later issued and marked as Exhibit #8. I also helped Layton register  
128 Teacher's Pet as an LLC. A copy of the Teacher's Pet, LLC registration is marked as  
129 Exhibit #2. I also introduced Layton to my investment contact, Shawn Salazar, at Angel  
130 Venture Capital (AVC).

131           23.    One of the primary people who talked me into moving to Capital was my  
132 longtime friend Shawn Salazar. We are very different types of people, but we  
133 understand each other. Shawn and I developed our very different voices at the same  
134 time in the same "village" so we have an eternal bond. I learned to digitally express  
135 prose as Shawn learned to make money off of others' voices. And we both believe in  
136 making investments in education; me through teaching and Shawn through investing

137 private equity into ventures that further education, especially education technology.

138         24. I introduced Shawn to the Teacher's Pet app. Our email exchanges are  
139 marked as Exhibit #5 and Exhibit #6. Shawn agreed to take a pitch from Layton. I took  
140 Layton to meet Shawn and to hear the presentation, which is marked as Exhibit #3.  
141 Shawn wanted to invest in Teacher's Pet, LLC. In fact, I think Shawn still does. I  
142 encouraged Layton to go with AVC. I do not think we would be in this mess if Layton  
143 had gone with AVC. AVC was going to invest serious money in Teacher's Pet, LLC for  
144 more expansion in addition to offering a four year scholarship to a college of Layton's  
145 choosing.

146         25. In addition to meeting with AVC, Layton had meetings with Creative  
147 Technology Investments (CTI), because Layton's parents and Dee Hawkins both went  
148 to UNM. In the end, Layton's parents felt more comfortable with a fellow UNM graduate  
149 and encouraged that direction instead. Clearly, Dee does not know what s/he is doing. I  
150 am the kind of person who can recognize a confident and competent person when I  
151 meet them and that is not the sense I got from Dee based on my conversations with  
152 Layton. Instead of standing behind the client and trying to get the situation turned  
153 around when the wasp issue went public, Dee jumped ship at the first sign of difficulty  
154 and look where we are now. I can tell you that this was an easy fix. I can also tell you  
155 that nobody should be taking Cam's word in all of this. Cam is not a person that should  
156 be taken seriously. After all, Cam has been caught cheating.

157         26. Here is the bottom line in all of this. I have been Layton's mentor going on  
158 three years now. I know Layton is not the kind of person to have planted a seed  
159 allowing other people to cheat. Layton is too ethical to do something like that or allow

160 anyone to get away with adding something with the potential to hurt the success of the  
161 app.

162         27.     Cam on the other hand? This disaster has Cam’s signature all over it.  
163 When Teacher’s Pet was turned in to me, it was the basic student communication tool,  
164 which earned the group an “A,” and got my initial attention. Clearly, the wasp did not  
165 exist at that time. I know after Layton took the project on to expand it into the amazing  
166 Teacher’s Pet app that was going live, Layton asked Cam to help with searching out  
167 and destroying bugs in the code. Cam’s specialty was removing bugs, so clearly Cam  
168 knew how to install bugs too. The evolution of the Teacher’s Pet app was like watching  
169 a child grow. It went from a small platform for students and teachers to communicate in  
170 a chatroom into so much more. After Layton took over the app, features were added to  
171 include the testing feature, posting assignments, taking tests digitally, and the  
172 AutoGrade feature. In addition, the secure platform was split into two elements; one for  
173 teachers and one for students. The student edition did not have the ability to see tests  
174 before their release or have any access to the AutoGrade feature.

175         28.     During the time when Layton was expanding from the initial class project  
176 into the finished product, the code was all stored and accessed on the servers I  
177 maintain for school projects. With that, anyone in the original group would have still had  
178 access to the code files. After Layton was ready to go live on iTunes, the Teacher’s Pet  
179 files were moved from my server (which is school based and should not be used for  
180 money making hosting purposes), onto a server paid for by Layton’s parents. Cam was  
181 the bug guy and Layton was the app’s architect. If you look at the code inside the wasp,  
182 it resembles Cam’s clumsy style rather than Layton’s elegant code prose.

183           29.    But, in the end, it does not matter who added the wasp to the Teacher's  
184 Pet app. Layton can easily remove the glitch and we can get the app back on track. If  
185 everyone would calm down and just take a deep breath.

**WITNESS ADDENDUM**

I have reviewed this statement, and I have nothing of significance to add at this time. The material facts are true and correct.

Signed,

Alex Duran

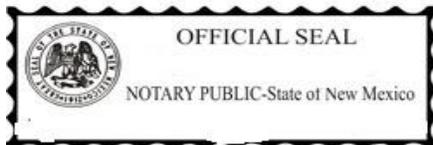
Alex Duran

Eddie Wudarzewski

Eddie Wudarzewski, Notary Public

State of New Mexico

My Commission Expires: 6/5/21



# **EXHIBITS**

**EXHIBIT #1: Flash Online Thread Discussion**



[/Site News](#) / [Blogs](#) / [Discussion](#) / [Useful Links](#) / [Related Units](#) / [Message the Moderators](#) /

<b>Codetry</b>		113 Readers
<b>Poster</b>	<b>Poster / Topic</b>	<b>Submission Date</b>
Code Woman	Teacher's Pet Wasp Real?!?!?!?!? (self.codetry) Commenters at CodeCrash are talking about a previous version of tpet with a wasp. Anyone know what they're talking about?!?!?	Submitted 8/28/17
Codeboba	Link to wasp in TPet, please	9/6/17
Code Woman	Link right here. Sorry for leaving it out. Ooops.	9/6/17
PoolPoet	Wasp does what?!	9/6/17
VRNerd	I have it and it works for sure. MIT school here I come!	9/6/17
Exterminator	What does it do?!?! Echo, echo, echo....	9/7/17
VRNerd	Access to AutoGrade.	9/7/17
Exterminator	How, Please?!?!	9/7/17
Exterminator	Vaporware. Does not work.	9/7/17
GameFace	Does too work. You have to have "Help" to know where to search.	9/8/17
Exterminator	Where?? Point me to it.	9/8/17
MR10101	You need "Help."	9/8/17
Exterminator	I can't find it.	9/8/17
MR10101	Where is it?	9/12/17
MR10101	Please help. I want to go to MIT too.	9/20/17
ANewHope	Search within yourself. Or at least the right menu.	9/20/17
Exterminator	GOT IT!!!!	9/20/17
ANewHope	For you know it to be true.	9/20/17

**EXHIBIT #2: Teacher's Pet, LLC Registration Papers**

**NEW MEXICO SECRETARY OF STATE  
CERTIFICATE OF FORMATION  
OF LIMITED LIABILITY CORPORATION**

The undersigned authorized person(s), desiring to form a limited liability corporation pursuant to the Limited Liability Corporation Act of the State of New Mexico hereby certifies as follows:

1. The name of the limited liability corporation is:  
Teacher's Pet, LLC.
  
2. The Registered Office of the limited liability corporation in the State of New Mexico is located at 1787 Anderson Avenue (street) in the City of Capital (city), Zip Code 87111 .
  
3. The name of the Registered Agent at such address upon whom process against this limited liability corporation may be served is:  
Layton Guerrero, 1787 Anderson Avenue, Capital, New Mexico 87111.

SIGNED BY: Layton Guerrero

NAME (TYPED): Layton Guerrero



**MEET TEACHER'S PET**

**CREATE.  
ENGAGE.  
ASSESS.**

**IT IS REALLY  
THAT SIMPLE.**

# THE DYNAMICS OF TEACHER'S PET

**CREATE**

Teachers post assignments and tests for students

**ENGAGE**

Students chat about assignments and prep for tests with each other or with their teachers

**ASSESS**

Students take and submit tests which are instantaneously graded using the AutoGrade feature.

# VERSIONS OF TEACHER'S PET

Teacher Version	Student Version
<ul style="list-style-type: none"><li>▪ Teachers create content and answer questions regarding content</li><li>▪ Teachers can communicate with students in real time</li><li>▪ Teachers can post tests in a secure environment and set the app to automatically grade student work</li></ul>	<ul style="list-style-type: none"><li>▪ Students receive content and post questions regarding content</li><li>▪ Students can communicate with teachers in the evening, during homework time</li><li>▪ Students can take tests online</li></ul>

## WHY YOU SHOULD INVEST

### Teacher's Pet

- Will be an innovative and useful tool for schools all over the world;
- Has room to be expanded for other uses in the future;
- Has been thoroughly tested and is market ready;
- Relies on the highest security protocols to avoid abuse; and
- Is good for education and great for investors.

## EXHIBIT #4: Due Diligence Letter

**P.C. Ormack**

Programming Consultant

3013 Monroe Avenue, Capital, New Mexico 87111

October 20, 2017

Dee Hawkins  
Creative Technology Investments  
502 American Legion Road  
Capital, New Mexico 87111

### RE: INTEGRITY OF TEACHER'S PET APPLICATION

Dear Mr./Ms. Hawkins:

On October 6, 2017, Creative Technology Investments (CTI) retained me to examine the integrity of the Teacher's Pet App developed by Layton Guerrero. On that same date, and at your request, Mr./Ms. Guerrero provided me with a printout of the operating code for the Teacher's Pet App. I have thoroughly examined the code and, based on that examination, offer the following observations and opinions regarding the integrity of the app.

As represented to me by your firm and by Mr./Ms. Guerrero, the intended purpose of the Teacher's Pet app is to allow teachers and students to interface in a secure, virtual classroom. The code I examined appears to be consistent with that purpose. The developer of the app used standard coding methodologies, including the use of secure socket layer 128-bit encryption to ensure secure network communications. Because there are two versions of the app – one for student use and one for teacher use – the developer used modular code and dynamic link libraries to ensure that each version is secure and operates only as intended. Such is standard coding practice. All of the code appears to be free of any back-door access points or accounts to circumvent security. There also appears to be no Trojan virus delivery mechanisms or generally malicious code. Overall, the code operates as represented and appears to be free of any bugs or defects.

Assuming the code that was provided to me is the same code that was actually put into production, it is my opinion that the Teacher's Pet App is what it has been purported to be and that its integrity is sound. Thank you for allowing me to examine and evaluate the Teacher's Pet App. An invoice in the amount of \$15,000 is to follow for my services. Please feel free to contact me should you have any questions.

Sincerely

*P.C. Ormack*

P.C. Ormack, M.S.C.S.  
SAS Certified Base Programmer

## EXHIBIT #5: Email Exchange #1 Between Duran and Salazar



Alex Duran <Alexcodejammer@gmail.com>

To: Shawn Salazar [newmoneySalazar@gmail.com](mailto:newmoneySalazar@gmail.com) Fri., Aug. 11, 2017 at 10:43 AM

Layton is fantastic — the kind of kid who really makes me glad I got into this teaching gig!

**On Fri., Aug. 11 at 10:40 AM, Shawn Salazar <newmoneySalazar@gmail.com> wrote:**

I'm traveling for the rest of the week, but call my office on Monday and let's see what we can schedule. Looking forward to meeting this genius of yours.

**On Fri., Aug. 11 at 10:37 AM, Alex Duran <Alexcodejammer@gmail.com> wrote:**

Right now, I'm not putting in any capital. We're trying to get other people to invest, but I thought of you first. I'm sure we can make it happen. Layton and Teacher's Pet could be a gravy train for all.

**On Fri., Aug. 11 at 10:29 AM, Shawn Salazar <newmoneySalazar@gmail.com> wrote:**

I could do that. Are you sure this kid has it together enough to make this happen? How much money are you putting in?

**On Fri., Aug. 11 at 10:20 AM, Alex Duran <Alexcodejammer@gmail.com> wrote:**

It definitely did. Hey, I wanted to follow up with you about that app I was telling you about, Teacher's Pet. I just spoke with the developer, Layton Guerrero, and Layton said that the trial run on iTunes has been going great. It looks like this app is going to be the next big thing, but we really need an infusion of cash to take it over the top. Any interest in taking a meeting with me and Layton to learn more about it?

**On Fri., Aug. 11 at 10:11 AM, Shawn Salazar <newmoneySalazar@gmail.com>**

**wrote:** I thought talking to some of the old friends might help.

**On Fri., Aug. 11 at 9:51 AM, Alex Duran <Alexcodejammer@gmail.com> wrote:**

Great to see you too. I'm doing alright. Much better since the conference.

**On Fri., Aug. 11 at 6:47 AM, Shawn Salazar <newmoneySalazar@gmail.com>**

**wrote:** Good to see you in SV. How are you holding up?

## EXHIBIT #6: Email Exchange #2 Between Duran and Salazar



Shawn Salazar <newmoneySalazar@gmail.com>

To: Alex Duran [Alexcodejammer@gmail.com](mailto:Alexcodejammer@gmail.com)

Thur., Jan. 4, 2018 at 5:00 PM

Just keep playing that Toby Keith song, so you can sing “How Do You Like Me Now” when you get back on top! Keep me posted and let me know what I can do to help make this right.

**On Thur., Jan. 4 at 4:50 PM, Alex Duran <Alexcodejammer@gmail.com> wrote:**

It’s just so stressful, I got out of the corporate world so I didn’t have to go through all of this kind of nonsense. But I guess it comes with the territory.

**On Thur., Jan. 4 at 4:45 PM, Shawn Salazar <newmoneySalazar@gmail.com> wrote:**

Are you kidding? I’ve made lemonade out of worse lemons than this. Besides, after all our talks in SV, I know you want to get back into the game and this may be the perfect opportunity.

**On Thur., Jan. 4 at 4:41 PM, Alex Duran <Alexcodejammer@gmail.com>**

**wrote:** So, you really think we should push ahead?

**On Thur., Jan. 4 at 4:33 PM, Shawn Salazar <newmoneySalazar@gmail.com> wrote:**

Who cares? Maybe a lawsuit wouldn’t be such a bad thing. It would allow us to get CTI out of the way. Win or lose, it’s our opportunity!

**On Thur., Jan. 4 at 4:27 PM, Alex Duran <Alexcodejammer@gmail.com> wrote:**

OK, I think. Layton is up and then down. I think Layton is still a little naïve about how all of this works. To Layton, this is all just another puzzle to figure out, but it’s pretty hard on Layton that people will think that Layton had something to do with it. Layton still swears not knowing anything about the wasp. What do you think?

**On Thur., Jan. 4 at 4:15 PM, Shawn Salazar <newmoneySalazar@gmail.com> wrote:**

Don’t worry. I’ve got enough experience with confrontation for all of us. How is Layton been holding up since news of the wasp went public?

**On Thur., Jan. 4 at 4:08 PM, Alex Duran <Alexcodejammer@gmail.com> wrote:**

I haven’t said anything about the lawsuit to Layton yet—I don’t want Layton to get nervous about all of this. I just told Layton to do as good as possible and fix this Wasp and hopefully we can turn it around and avoid a lawsuit. I really don’t like this kind of confrontation.

**On Thur., Jan. 4 at 3:59 PM, Shawn Salazar <newmoneySalazar@gmail.com>**

**wrote:** Yeah. Dee Hawkins is way out of depth with this. I knew it from the beginning. Then again, I’m pretty sure Dee would be out of depth in a puddle — big fish, little pond.

**On Thur., Jan. 4 at 3:35 PM, Alex Duran <Alexcodejammer@gmail.com>**

**wrote:** Hey Shawn. Wanted to give you a heads up. It looks like that twit Dee Hawkins is making noise about suing us over that little issue with our app. I knew Layton shouldn’t have gone with CTI.

## EXHIBIT #7: NM State Law Enforcement Division Letter

CAPITAL COUNTY  
820 HOLLOWAY ROAD  
CAPITAL, NEW MEXICO 87111



CIVIL DIVISION (575) 555-1234  
CRIMINAL DIVISION (575) 555-1235  
FRAUD DIVISION (575) 555-1236

December 23, 2017

Dee Hawkins  
Creative Technology Investments  
502 American Legion Road  
Capital, New Mexico 87111

RE: Notice of Investigation – Case No. 167-3832

Mr./Ms. Hawkins:

I am writing to provide you with notice that the New Mexico Office of the Attorney General's Fraud and Consumer Protection Division (CPD) has recently opened a formal investigation into allegations of fraud by Creative Technology Investments (CTI). The CPD investigation into this matter is made in relation to CTI's due diligence and promotion in a series of emerging technology transactions including Teacher's Pet, LLC. In accordance with the New Mexico Securities Act, CTI is required to maintain and preserve all documentation in any way related to this matter. Failure to do so may result in both civil and criminal sanctions, including the revocation of all relevant licensing.

CPD appreciates your cooperation in this matter and will very shortly serve upon you requests for statements and documentation.

Sincerely,

*Frank Rogers*

Frank Rogers  
Senior Securities Investigator

cc: Layton Guerrero, Teacher's Pet, LLC

**EXHIBIT #8: Teacher's Pet Patent**

<b>United States Patent</b>		<b>Patent No.:</b>	<b>US 7,345,642</b>
<b>Guerrero, Layton</b>		<b>Date of Patent:</b>	October 17, 2017
<b>Inventor:</b>			
		Layton Guerrero	
<b>Abstract:</b>			
		Software Application Integrating Teacher and Student Communication.	
<b>Description:</b>			
		<p>The Teacher's Pet app allows teachers and students to communicate in closed chatrooms. The app provides a forum for class discussions and a place for teachers to post assignments.</p> <p>Teachers can post assignments, quizzes, and tests directly on the app for the students to complete. The teachers' version of the app includes an AutoGrade feature for tests and quizzes. Once graded, the app populates a grade to the teacher, the school's server, and to the individual student. As a result, teachers can automatically see testing trends for individual students and more. The AutoGrade feature is only part of the teacher version of the app, which is given to schools as a key code when the schools purchase the license.</p>	
<b>Assignee:</b>			
		Teacher's Pet, LLC	

**Exhibit #9-Cirriculum Vitae of Alex Duran**

**ALEX DURAN**  
**8754 Park Street**  
**Apt 4521**  
**Capital, NM 87111**  
**(575) 589-6235**

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**EDUCATION**

**UNIVERSITY OF SAN FRANCISCO**

**2006**

Bachelors Degree in Computer Science.  
Curriculum included computer coding, computer programming,  
App design, DOS development, IOS development, computer  
marketing; information technology.

**2009**

Masters Degree in Education. Focus on high school education  
with a view to teaching computer science.

**WORK HISTORY**

**2009-2013**

**Computer programmer for Microsoft Corporation**

**2013 to present**

**Computer Science Teacher at Escalante High School.**  
Classes taught: Computer skills and computer programming.

**PUBLICATIONS**

**JAVA: A G to Optimizing Development Processes, CIO.com, 1997.**

**MEMBERSHIPS**

**Computing Research Association**

**IEEE Computer Society**

**Association for Computing Machinery**

**Society for Information Technology & Teacher Education**

**Exhibit #10-Cirriculum Vitae of Jordan King**

**Jordan King**

**6405 Keylogger Road SW**

**Capital, NM 87111**

**(575) 568-5481**

**Employment:**

1990 - 1995                      Employed by FBI/CPD as computer analyst to identify and fix highway department security protocols.

1986 - present                      Consultant for police agencies to recover data from computers and other devices relating to corporate espionage and codes.

Consultant for private corporations to investigate and determine viable computer programming and application opportunities for advancement and sales.

**Education:**                      Lone Pine High School, graduated with honors.

MIT: Studies focused on Computer science. Left MIT after two years to develop more advanced computer science skills.