

# THE NUTTY PROFESSORS

## JULY 2007

I had some nutty professors in my day. Being a Political Science major I was often subjected to some sensitive pony-tail, tie-dye wearing, cannabis smelling teacher's assistant who liked to spend the entire class preaching the many evils of the United States of America and how ashamed each and every one of us students should be due to our American citizenship status. After learning about the following two nutty professors, I realized it could have been worse.

### Professor Fancy Pants

The *Associated Press* reported that flamboyant professor Al Parrish of Charleston Southern University has claimed amnesia after \$134 million turned up missing from funds he was supposed to be managing. (The Amnesia defense, second only to the Chewbacca defense\*.) The *Atlanta Journal-Constitution* reported, *He rolled up to the convention center here a little more than a month ago in his signature purple Jaguar with the custom cat-print top. Dressed in a yellow suit, he then gave his annual economic forecast for the chamber of commerce.* (Note to self: listening to investment advice from a guy who drives a purple Jag with cat print top and dresses like the guy from Curious George is probably not a good idea.) 600 investors from across the country gave Professor Parrish \$112 million which he in turn falsely claimed grew to \$524 million. Professor Parrish was also not licensed with the state of South Carolina or the Securities and Exchange Commission.

*A paunchy circus bear of a man from the Lowcountry's deep woods, Parrish could be spotted in red suits, in pastel outfits that invited comparisons to the Easter bunny, in ensembles that combined floral, stripes and cartoon characters.* So where did Professor Fancy Pants invest the money...In himself of course. When police searched his suburban home they found it full of such items as: Red Skelton clown art, a \$2.2 million teapot, an ancient Chinese chess set worth \$500,000 (ironically it was found amongst children's board games), a Picasso drawing (found shoved between computer manuals), a \$590,000 watch, five homes, diamond-encrusted pens, dozens of yard gnomes, guitars owned by Jimi Hendrix, Keith Richards and George Harrison. More than 2,000 items have been identified, most of which were purchased at or above market value.

Parrish wrote a financial column in the newspaper, he started a course at his church on investing from a Christian perspective. He promised investors including the university he worked for annual returns of 30 percent or more. Arnold Hite, an economics professor at Charleston Southern sums it all up in an interview in the *Atlanta Journal Constitution*, *"I just wanted to vomit, I've been beating myself up with, why didn't I see it? I guess I had too much faith in him. He had such deep roots here; it seemed too fantastic that he'd defraud me."*

I actually thought of a way to make the money back from Parrish's victims. This would make a great film. Birdcage meets Boiler Room...Someone get Nathan Lane's agent on the phone.

### Professor Want-To-Be-Trump

Barry Landreth, an adjunct professor of real estate finance at the University of Southern California, pleaded guilty to defrauding his investors; many of which were his students in a real estate scheme. Greg Simon, a former student, stated in an interview with the CBS affiliate in Santa Anna, *"He went after people who put their trust in him, who put a significant amount of their net worth with him out of complete trust."*

Landreth operated a company called Webster Realty Investors which purported to its victims that it planned to develop commercial properties in Las Vegas and Chicago. The kicker...he told investors that the projects would return 190 percent within 30 to 45 days. Wow, the last time I

heard of a land deal that lucrative that just didn't pan out, it involved a piece of property in Arkansas called Whitewater, a former President and his spouse who wants to now become President.

It turns out, as most of these high-yield pie-in-the-sky investment opportunities do; to be another Ponzi scheme where new investors are used to pay off the old. According to court documents the company never showed any returns on any real estate. Landreth did however, purchase himself several luxury cars and show horses worth \$500,000.

I rant and rave on the radio show about economic and financial education or rather lack thereof here in America. I find it incredible that fellow economic professors and an institution of higher learning were so easily duped by a guy like Professor Fancy Pants. Similarly, and equally astonishing is the fact that graduate level students would deem it plausible to receive close to a 200 percent return in under two months.



The **Chewbacca defense** is a fictional legal strategy used in the South Park episode "Chef Aid", which premiered on October 7, 1998 as the fourteenth episode of the second season. The concept satirized attorney Johnnie Cochran's closing argument defending O.J. Simpson in his murder trial. "Chewbacca Defense", meaning a defense consisting solely of nonsensical arguments meant to confuse a jury, has since been occasionally applied outside of references to South Park. In the episode, Chef discovers that Alanis Morissette's (fictional) hit song "Stinky Britches" is the same as a song he wrote years ago, before he abandoned his musical aspirations. Chef contacts a "major record company" executive, seeking only to have his name credited as the composer of "Stinky Britches." Chef's claim is substantiated by a twenty-year-old recording of Chef performing the song. The record company refuses, and furthermore hires Johnnie Cochran, who files a lawsuit against Chef for harassment. In court, Cochran resorts to his "famous" Chewbacca Defense, which he "used during the Simpson trial", according to Gerald Broflovski.

**"Cochran:** Ladies and gentlemen of this *supposed* jury, Chef's attorney would certainly want you to believe that his client wrote "Stinky Britches" ten years ago. And they make a good case. Hell, I almost felt pity myself! But, ladies and gentlemen of this *supposed* jury, I have one final thing I want you to consider. Ladies and gentlemen, *this* is Chewbacca. Chewbacca is a Wookiee from the planet Kashyyyk. But Chewbacca *lives* on the planet Endor. Now think about it; *that does not make sense!*

**Gerald Broflovski:** Damn it!

**Chef:** What?

**Gerald:** He's using the Chewbacca Defense!

**Cochran:** Why would a Wookiee, an eight-foot tall Wookiee, want to live on Endor, with a bunch of two-foot tall Ewoks? That does *not make sense!* But more important, you have to ask yourself: What does this have to do with this case? Nothing. Ladies and gentlemen, it has nothing to do with this case! It *does not make sense!* Look at me. I'm a lawyer defending a major record company, and I'm talkin' about Chewbacca! Does that make sense? Ladies and gentlemen, I am not making any sense! None of this makes sense! And so you have to remember, when you're in that jury room deliberatin' and conjugatin' the Emancipation Proclamation, [approaches and softens] does it make sense? No! Ladies and gentlemen of this supposed jury, it does *not make sense!* If Chewbacca lives on Endor, you must acquit! The defense rests."

SOURCE MATERIAL:

[One-Time USC Lecturer Sentenced in Investment Scam](#) CBS Online Santa Ana California  
[Jubera, Drew Charleston Agog as Financial Guru Accused of Fraud](#) Atlanta Journal Constitution 05/13/07

Jubera, Drew Indicted Investors Motley Collection to Be Auctioned *Atlanta Journal Constitution* 07/12/07  
Burns, Anderson Anatomy of a Fraud *Associated Press* 04/07/07  
Prof Charges in Investment Fraud Case *Associated Press* 04/13/07