

FBI joins investigation Economist also could face state grand jury probe

BY KYLE STOCK, SCHUYLER KROPF and KATY STECH

The Post and Courier

The investigation of Charleston Southern University economist Al Parish accelerated Monday as officials continued to inventory his assets while the FBI confirmed it has opened a criminal inquiry into his financial dealings.

FBI agent Steve Grimaldi said the probe is in its early stages but that it will "hold those accountable for fraud if there is any fraud" detected. A criminal conviction could lead to jail time, while civil charges would affect Parish's finances.

Also taking part are the State Law Enforcement Division and the U.S. Attorney's Office, Grimaldi said.

The state Attorney General's Office also announced that it has made a criminal referral on Parish to the state grand jury for possible prosecution.

Meanwhile, officials taking inventory of Parish's wealth said there might be more value in his accumulated "hard assets" - which include a house and condominium at Edisto Beach, art by Degas, Renoir and Norman Rockwell, diamond-studded watches and jewelry and antiques and antiquities - than there is cash left from the tens of millions of dollars he was entrusted to invest.

Parish, 49, owns at least seven properties in the Charleston area. In addition to the two rental properties on Edisto Island, he has a modern estate in Summerville, a South of Broad condominium on Tradd Street and a parcel of land in Hollywood. The Edisto properties were appraised for a combined value of \$1.2 million last year.

Parish also bought A.J. Davis & Co. clothing store on King Street in early 2005 and recently opened a second location in Summerville.

The authenticity and value of everything Parish owns still need to be confirmed by appraisers and investigators. Parts of the holdings are under 24-hour security watch. Parish's passport has been seized and his credit cards canceled.

Parish's whereabouts remained a mystery Monday, but Charleston lawyer Joe Mendelsohn was recently appointed as his conservator. Parish had been admitted

to a hospital for amnesia as the fraud allegations began to surface.

Parish and Parish Economics LLC, a company owned by Parish and his wife, were sued last week for five counts of civil fraud by the Securities and Exchange Commission. His company claimed to have \$134 million in assets, but federal investigators said Parish sent statements to his clients over the past two years that "grossly misrepresented" returns and the amount of money in the fund "pools" that they had bought into.

A federal judge's order has put on hold lawsuits from investors seeking to recoup their losses. But at least one federal suit seeking class-action status was filed Monday, on behalf of Louis C. Mancuso, formerly a professor and head of the Evening Division at CSU. Mancuso began investing with Parish in 2002, and by 2007 his investment in Parish's investment pools exceeded \$100,000 on paper, including his IRA retirement accounts, according to the lawsuit.

Meanwhile, a Post and Courier investigation found Monday that Parish and his companies loaned hundreds of thousands of dollars to homebuyers. Documents filed in Charleston and Dorchester counties show that Parish Economics wrote at least six mortgages collectively worth almost \$750,000. One of the loans listed a 6.5 percent interest rate.

Parish also cut less formal loans.

Steven Jordan, a Mount Pleasant-based artist, met Parish when he was commissioned to paint a pattern of jaguar spots on the convertible top of the economist's Jaguar sports car. Four years later, Parish sold Jordan the car for a few paintings, a sculpture and "a little cash." He had been asking \$25,000 for the vehicle.

"I thought, 'Man, this guy must have a gold mine,'" Jordan said Monday.

Parish also bankrolled Jordan's home on Broadway Boulevard, a purple building that also serves as Jordan's business and studio. The artist agreed to pay off the \$250,000 loan a month at a time for 30 years. Jordan said Parish levied a low interest rate and the few times that he couldn't come up with the cash, Parish accepted artwork instead.

"I always called him my guardian angel," Jordan said. "He was the one guy who helped me out, and now all of this. I don't want to believe it."

AI Parish discussion

If you want to weight in about AI Parish and the allegations of fraud, go to <http://pandcads.com/phpBB2/viewtopic.php?t=20>. If you would like to talk to someone in our newsroom about tips on the story, call 937-5558.

Taking stock of Parish's assets

Homes

Economist AI Parish's sprawling estate in Summerville was built beside a private lake in a gated community called Moodys Plantation. It was appraised last year at about \$907,000, according to tax records.

Cars

Parish had the roof of his Jaguar painted to match the luxury car's namesake. He later sold the car to artist who painted it, Steven Jordan

Businesses

Parish bought the downtown clothing retailer A.J. Davis & Co. in early 2005 and opened a second location in Summerville.

Other assets

Parish collected artwork and gem-studded pens as part of his "hard assets" investment pool.

Al Parish's real estate holdings

Al Parish owns at least seven properties in the Charleston area and holds mortgages on several other properties. They include: 3622 Yacht Club Road on Edisto IslandThe top left of this building at 126 Jungle Road, 6A, Edisto IslandThe A.J. Davis & Co. business and building at 120 E. Richardson Ave. in SummervilleThe condominium on the left at 156A Tradd St., in downtown CharlestonSteven Jordan says Al Parish's company holds the mortgage to the property where Jordan's art gallery and studio are, off Coleman Boulevard in Mount Pleasant.

Dave Munday of The Post and Courier staff contributed to this report.

This article was printed via the web on 4/10/2007 10:14:15 AM . This article appeared in The Post and Courier and updated online at Charleston.net on Tuesday, April 10, 2007.