

Single investor bears the brunt of Parish-related losses

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A single, as-yet unidentified out-of-state investor will likely bear the brunt of losses associated with the Al Parish investment fraud case.

On Thursday, attorney J. David Dantzler, who is working with the court-appointed receiver on the case, told U.S. District Judge David C. Norton that of the approximately \$55 million of investor money that is now considered “lost”—spent on an array of hard assets and Parish’s personal lifestyle—as much as \$30 million represents the investments of one individual.

Dantzler described the man as someone who “had a good job” and who appeared to increase a sizable initial investment by as much as \$2 million a year.

“This individual is now approaching retirement, and needless to say, he’s very concerned,” Dantzler said.

Dantzler’s presentation Wednesday to the court was the second such status report he’s given since Hays Financial Consulting of Atlanta was appointed receiver in the case in April.

Dantzler characterized the speed at which work on the case has proceeded to date as unprecedented in his experience, despite the staggering complexity of Parish’s alleged spending habits.

To date the receiver has identified, recovered, secured and is cataloging more than 2,000 individual items, including paintings, animated art, watches, jewelry, pens, guitars and other objects d’art.

The receiver’s team of investigators is also beginning to get its arms around Parish’s “lifestyle spending,” spending that is now known to include more than \$700,000 on chartered jets which he flew to such destinations as Hawaii, Bermuda and the British Virgin Islands, and nearly \$30,000 he spent in the last year on personal household servants and babysitters.

The receiver said it appears Parish first got involved in investment activities as part of an informal “investment club,” and expanded his activities to his now notorious “investment pools” in 1997.

Between that date and February 2007, about 650 investors were involved in Parish’s investments and the total amount invested was more than \$112.5 million. Of that amount, \$57 million now appears to have been paid out to investors over time.

Nearly everything else was spent. To date the receiver has recovered only \$743,869.23 in cash.

In the last 27 months of Parish's investment activity alone, a period extending from January 2005 to March 2007, about \$68 million was received from investors, and a slightly larger amount was disbursed or spent by Parish.

Records now in the government's possession indicate that during that period, Parish paid out \$36.5 million to investors, while \$10 million was used to purchase "hard assets." Another \$2.5 million was paid in life insurance premiums, and several million dollars was spent on Parish's lifestyle.

The receiver said the use of about \$6.6 million requires further examination, although Dantzler assured the court that enough investigative work has been done to feel assured none was hidden.

Among the other revelations of the report was that Parish not only owned a timeshare in New York, but also had another at Disney World. Parish also happened to own a signed drawing of Mickey Mouse done by Walt Disney himself that Dantzler characterized as the most expensive Mickey Mouse ever purchased.

Parish also had been a big time investor in startup businesses, buying partial ownership shares in more than 30 private companies over the years, including Bellco Media LLC in Atlanta, publisher of *High Roller*, a magazine for gamblers, and a 40% interest in a company called Get Fit Now.

Other firms were in the media, pharmaceutical and high-tech arenas.

While Parish's purchases are still being valued—a process that prompted representatives of both the Christie's and Sotheby's auction houses to visit Charleston in recent weeks, Dantzler said it appears the economist had no idea what he should have been paying for many works.

Although Parish maintains he purchased the investment assets below market value, Dantzler said it now appears he was frequently cheated—so much so that the receiver is considering taking action against the dealers to try to recoup more money for investors.

Those activities alone will take up much of the summer, and Dantzler expects to announce no significant developments in that regard until Labor Day weekend, he said.

Other questions in search of answers is why many of the items found in Parish's home had price tags on them at variance to what Parish spent on them. One Red Skelton clown painting, for instance, was found bearing a price tag of \$89,000.

Dantzler said the invoice for the item states that Parish bought it for considerably less. The price tag on a diamond encrusted watch bore a price tag of \$590,000, but was actually purchased for about \$35,000.

"We don't know who placed these price tags on the items, and whether it was Parish's attempt to impress somebody," Dantzler said.

The attorney said he's also asked Parish to do some "homework" now that he's been released in the custody of his brother Johnny Parish.

That homework includes organizing piles of invoices and also helping to identify who an apparent mountain of checks were made out to over the years.

“We literally have thousands of checks in Al Parish’s handwriting that are for the most part illegible,” Dantzler said. “We’re hoping he’ll help us sort those out, an act that will save the investigations and his investors tens of thousands of dollars.”

Later Parish began making all his purchase on his American Express card. When Dantzler questioned him about it during their recent five-hour meeting, Parish allegedly said it was in order to keep track of his activities.

Because he had no system of organizing his assets himself, Parish apparently relied on credit card statements to keep track of what he bought.

“Given the chaos of these records, it’s really too early to tell how much we’re going to recover from the sale of all these items. Some are quite valuable. Others, much less so,” Dantzler said.

A major auction of Parish’s Citizen Kane-like collection is tentatively scheduled for the last weekend of June at the Charleston Area Convention Center.

“I don’t mean to be pessimistic, but if indeed \$55 million has been lost on these purchases, I think the most honest thing I can say is that, at most, we might recover about half that,” Dantzler said.