

'It was easy to believe in Al' Investors cite Parish's folksy charm in handing over money

BY KYLE STOCK AND DOUG PARDUE

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Al Parish seldom looked like a captain of Wall Street.

He was an explosion of color in the drab world of heady formulas and high finance. At board meetings and chamber of commerce lunches, Parish, 49, often quipped that the brightness of his clothes was a measure of his bullishness on the economy. Time and again, a sea of gray suits would break out in smiles, shaking their heads at the humor and audacity of the golden-boy economist.

Parish, a native of rural Hollywood, S.C., carved out an influential spot in the Lowcountry business community with his eccentricity, irreverence and smarts. Those attributes had the same effect on the people who allegedly put an estimated \$134 million in his care, money that federal investigators are trying to track down days after Parish checked into a hospital claiming he had amnesia and the Securities Exchange Commission sued him and his companies for fraud.

As dozens of investors frantically began searching for their funds in the past few days, they spoke of the relatively blind trust they put in Parish and the gambling they did in the glare of his garish suits.

"He won over people by being so eccentric that people thought he was harmless," said a 25-year-old investor, who asked to remain unidentified. "I always thought it was sketchy, but I think the power of greed got in everybody's face. You don't ask a lot of questions when everything is going up."

Parish posted staggering returns in the four "informal pools of money" that he invested when he wasn't teaching classes at Charleston Southern University or putting

together economic forecasts. The funds - some of which were 20 years old - had been posting returns of at least 32 percent a year, according to figures he provided.

Investors never questioned why Parish was not registered to buy and sell securities. They also rarely questioned where exactly their money was. What stocks were flying so high to generate such robust returns? What options and futures comprised the fund dedicated to commodities? What undervalued works of art and jewelry had Parish snapped up for his "hard assets" fund? And who was appraising such handsome values on those goods over time? For that matter, how was Parish paying himself?

Never pushy

Investor oversight mostly was limited to quarterly balance statements showing impressive gains.

"You wonder, but you don't come out and say, 'Are you running a scam on me?'" said

Karen Rath, a former neighbor of Parish. Rath, her parents and her two children have investments with Parish's companies valued at \$360,000.

Rath grew more skeptical as she learned more about Parish's lifestyle and saw some of the trappings: Vacation homes at Edisto Beach and in the North Carolina mountains, a Jaguar sports car with a custom jaguar-print top, a line of credit with a jet-chartering company and a lawn ornament that reportedly cost \$10,000.

But Parish and his wife, Yolanda Yoder, who have four young children, were never pushy in their pitches, Rath said.

"They've done it from little man to big man, and they did it with a smile," she said.

Never mind that Parish usually looked as conservative as a carnival barker. Carnival barkers don't have doctorate degrees from the University of North Carolina at Chapel Hill. Instead of offering investors a thorough investment prospectus outlining the risks, Parish served up his resume and folksy charm. And the closest thing Parish had to an independent auditor was the community, where he was a flamboyant fixture.

Parish, in many ways, was the public face of the Charleston Metro Chamber of Commerce, regularly tapped to provide the group's economic forecasts. His name was on a few local boards, high on the donor list of some nonprofits, and often in *The Post and Courier*, including stints as an unpaid columnist. He also was active in his church and was one of the stars at Charleston Southern University, an institution that requires its faculty to sign a religious code of conduct.

Wayland Moody, a neighbor of Parish who sold him his homesite, said Parish "seemed like a financial whiz" and "would never give you any indication of somebody out trying to make a fast buck."

In fact, Parish didn't appear to solicit funds beyond his Web site and face-to-face meetings. Investors who heard about the colorful economist felt that they had an inside line. Word of his stellar returns spread through families and networks of close friends.

Carole Cuttino and her parents sat down to talk with Parish about investments a decade ago. As head of the music department at CSU, Cuttino's father, David, was a co-worker of the economist.

"He seemed totally above-board," she said. "He clearly promised that if anything went under 8 percent (on returns) he'd notify us."

Now, Cuttino's parents are in their 80s, and she is scrambling to recover their \$111,000 portfolio.

Far reaching

Parish's reputation as a market-beating investor went beyond the Lowcountry. Andy Larson, who works at an NBC television station in San Diego, said his statements from Parish list about \$300,000. His in-laws, both 61, had all of their retirement with Parish, and his wife's uncle, 63, put all but \$1,300 of his savings in Parish's care.

"I can't imagine hating a person this badly!" he said when he heard of last week's SEC allegations.

But much of the money in Parish's pools came from the Lowcountry and was turned over, in part, on pride - bets that the sage from the South Carolina sticks could run circles around the stuffed shirts on Wall Street. The SEC is compiling a full list of investors, but those who have come forward include Parish's neighbors, friends, business associates and

co-workers.

Moody would not reveal how much money he invested with Parish, beyond saying it was tens of thousands of dollars. "It's more than I'd want to lose," he said. "I'm just hoping that he made some bad investment decisions, but with the amount of money they are talking about, I just don't know."

David Hansen of Green Bay, Wis., managed to pull \$68,000 of his investments out last year. But when the SEC sued Parish last week, Hansen's account still showed a balance of \$134,398.

Like many others, Hansen, 55, invested with Parish based on a friend's recommendation. Hansen wouldn't provide the friend's full name, other than to call him Bill.

"Bill had a million dollars last week and \$1,300 today," he said.

And now Bill has to face dozens of friends he persuaded to place their money with Parish. In some ways, Hansen said, the worst part of the fraud charges is the embarrassment and the recrimination.

"It was so easy to believe in Al," Hansen said. "He was an easy, jolly guy," who seemed genuine, giving and altruistic. Still, Hansen said, angry investors deserve part of the blame and should not overlook "that 'greed' word."

"Somewhere in there the lust grabs your heart," he said. "You want it to be true."

Parish and his wife - who has also been named in lawsuits filed last week by individual investors and is a part owner in Parish Economics LLC - have not returned telephone calls and e-mails. The SEC lawsuit is scheduled to be taken up in a Charleston federal courtroom Friday.

On the Web

See what people are saying about the Al Parish case, and offer your own thoughts at www.charleston.net/forums/index.htm.

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