

## **E-mails led to fraud charges against Parish SEC in lawsuit alleges Charleston economist falsified some documents**

**BY RON MENCHACA**

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All Parish's own e-mails led authorities to charge him with fraud.

A series of messages between Parish and his then-business colleague spanning the last two weeks of March conveys a mounting sense of urgency as federal investigators zeroed in on Parish's alleged investment scheme. Parish was charged Thursday with making false statements and providing fraudulent documents to federal authorities.

An accounting investigator with the U.S. Securities and Exchange Commission first contacted Battery Wealth Management and its president, Wayne Cassaday, in late February to examine the company's paperwork.

About 29 of the investment advising firm's clients had a total of about \$7 million invested in funds managed by Parish's company. Parish also was co-owner and vice president of Battery Wealth Management on Queensborough Boulevard in Mount Pleasant.

When SEC investigator Michael Foster asked Cassaday to provide documents supporting the purported \$134 million value in the Parish investment pools, Cassaday, a registered investment adviser, said he did not have them. Cassaday could not be reached for comment Thursday, but in a recent interview, he said he had no knowledge of alleged wrongdoings by Parish. Authorities have made no charges against Cassaday.

On March 20, Cassaday sent Parish an urgent e-mail: "I really need to get the available statement from your custodians ASAP ... the SEC has made this a priority item."

Federal authorities now say that missive was crucial because it put Parish on notice that any information he provided would be shared with federal authorities.

In that same e-mail, Cassaday also expressed concern that Parish had been ill with "a GI infection."

In his reply the next morning, Parish provided some of the requested documents, including account statements from three of the investment pools he operated. Parish noted that he was "feeling only slightly better."

In its lawsuit against Parish, the SEC alleges that Parish falsified some of the e-mailed documents, which Cassaday forwarded to Foster. The investigator provided copies of the Parish documents to several investment companies whose letterheads appeared on the financial statements. An official at TD Ameritrade Inc., where Parish purported to have investments totaling \$15 million told the SEC that "there is no \$15,083,327.07 balance in the account."

At Tradestation Securities Inc., where Parish purported to hold \$18 million in foreign bonds, a company official found no such account. The company did, however, locate two

accounts belonging to Parish, but their combined value totaled about \$92,000.

Among the largest alleged misrepresentations by Parish involved Lind-Waldock, a commodity futures brokerage. Parish purported to hold an account worth \$52 million with the brokerage. "I was able to immediately discern that the document ... was not legitimate," a brokerage official said in a sworn statement provided to the SEC.

Parish continued to e-mail documents to Cassaday over the next several days.

Even Cassaday noted apparent discrepancies in the documents Parish provided, commenting to Foster that one of the statements did not have the proper letterhead. "I am asking about that from Dr. Parish," Cassaday wrote.

Cassaday pledged to keep pressing Parish for more documents but cautioned that Parish was "down in bed with a gastrointestinal infection."

On the morning of March 27, Parish e-mailed Cassaday more documents and confirmed a meeting for later that day. "Here is the last bit of stuff," Parish wrote, signing off with "Al."

The next day, March 28, Parish and Cassaday met for 2 1/2 hours with SEC officials at the offices of Battery Wealth Management. Authorities say Parish made additional fraudulent claims about his investments in that meeting. That same day, Parish and Battery Wealth Management officially severed ties.

On March 29, Parish presented an economic forecast to hundreds of business leaders at the Charleston Area Convention Center. Later that day, he reported feeling dizzy while teaching a class at Charleston Southern University and was taken to Trident Medical Center.

The SEC filed its lawsuit against Parish five days later, based largely on Parish's e-mails.