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## Paying back the victims

Those who got money out early may be out of luck

BY SCHUYLER KROPP (CONTACT)  
The Post and Courier  
Friday, May 1, 2009

Investors ripped off by imprisoned economist Al Parish are getting their first look at how officials plan to distribute the cash and assets they've been able to recover, and this much is clear: Not everyone is going to be happy with it.



Al Parish  
The Post and Courier

Under the plan — dubbed the "Rising Tide" — investors who withdrew or received little or nothing from Parish during the 15 years of his Ponzi scam will be first in line for a share of the \$8 million to \$9 million accountants expect ultimately will be recovered.

For them the news is good: each could get back as much as 25 percent of their principal investment.

On the flip side, those who received or withdrew money early, or got regular payouts from Parish during the life of his scheme, could receive nothing additional.

The logic, advocates said, is they've already received some degree of benefit and aren't entitled to more in the aftermath.

Officials who put together the proposal, filed Thursday in U.S. District Court in Charleston, know their recommendation is certain to disappoint many caught

up in the Parish fiasco, especially as victims have been waiting months to see a settlement plan.

But supporters of the "Rising Tide" plan say it is the most fair because the majority of his 600 investors — as many as two-thirds to three-fourths — never withdrew or received any cash or payout from Parish after entrusting him sometimes with tens of thousands of retirement dollars.

**Al Parish Archives**  
The Post and Courier's on-line center for investigative reporting.

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"Clearly, those investors who received prior payments from Parish are, in relative terms, in a better position than those who did not," court papers say.

The recommendation comes as just over two years have passed since Parish, 51, a former Charleston Southern University economist, was charged in what likely is Charleston's largest case of investor fraud. He is currently serving a 24-year prison term.

Parish also received some bad news last week when the 4th Circuit Court of Appeals denied his appeal of his sentence, saying his arguments had "no meritorious issues." Parish had argued that a term of about six years was more appropriate when compared with other white collar crimes. The next step would be an appeal to the U.S. Supreme Court.

David Dantzler, the attorney for the receiver that collected Parish's assets, said the "Rising Tide" plan is the most fair since anyone who received earlier payments likely did so from money that Parish collected from later investors, which is the key formula behind a Ponzi scheme.

Dantzler said officials feel pretty secure about the distribution because banking records are considered to be generally good from the year 2000 to when the scam fell apart in the spring of 2007.

One highlight in the filing is that investors will be given the opportunity to challenge the payout proposal and the amount that someone is owed. "It will be the claimant's burden to

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show that the receiver team's determination is not correct," court papers say.

Even as the distribution plan is expected to draw controversy, the money recovered to date represents a fraction of the estimated \$66 million lost by Parish in his private investment pools.

So far, the total dollar amount from the minimal cash recovered and the proceeds from selling Parish's homes, property and odd assortment of collectibles, is expected to run between \$8 million and \$9 million.

That's approximately 13 percent to 15 percent of the net amount lost by all of the claimants in the Parish Ponzi scheme, though the calculations are changing regularly.

No timetable has been set on when reimbursement checks will be available. It depends on challenges to the plan, collecting assets that are still being pursued and tax issues that need to be settled.

Investors will be mailed letters detailing the proposal probably next week. They have until June 1 to file objections, and a hearing on the proposal is scheduled for early July.

Reach **Schuyler Kropf** at 937-5551, or [skropf@postandcourier.com](mailto:skropf@postandcourier.com).

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