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Parish spouse offered immunity deal

By Dan McCue , Staff Writer

Yolanda Yoder, wife and investment business partner of disgraced economist Al Parish, will give up all she has of value—including the jewelry she wore on her wedding day—under a proposed agreement that would shield her and her children from litigation related to her husband's misuse of more than $50 million in investors' funds, in exchange for a $10 fee.

Parish pleaded guilty on Oct. 5 to three federal charges of securities fraud related to an investment offering that over some 10 years raised $112.5 million from 600 to 650 investors, including his former employer, Charleston Southern University.

A hearing on the proposed agreement is slated for 1:30 p.m. Dec. 18 in Charleston federal court.

Yoder has never been charged with any criminal wrongdoing in connection with her husband's operation of several investment funds, but has been named as a defendant in at least six civil lawsuits filed in the S.C. Court of Common Pleas since her husband's malfeasance became known last spring. The settlement deal offered to Yoder would release her from a separate civil proceeding filed last April by the U.S. Securities and Exchange Commission.

U.S. District Judge David C. Norton stayed those cases so that a court-appointed receiver would be unencumbered in his effort to secure the vast array of assets Parish bought with investors' funds, including hundreds of gnomes, clown paintings by comedian Red Skelton, pens, jewelry and scores of pieces of cartoon art.

J. David Dantzler Jr., lead attorney for court-appointed receiver S. Gregory Hays, said under the settlement deal, Yoder "gives us everything of value, and she walks away from everything."

She will be allowed to hold onto some personal items, but those, Dantzler said, "are only those things that would return no value to investors if they were sold."

Dantzler said the $10 fee is “a term of art,” required for the agreement to be enforceable.

The discussions that led to the settlement proposal started a few hours after the receivership was established on April 5, he said.

“We have been in conversations with her about the assets related to the case from the first day, because the reality is, she was a joint owner of a lot of these things—real estate in particular,” Dantzler said.

“Parish also listed her as an officer of Parish Economics LLC, and another LLC through which she invested in number of business ventures,” he said.

But it quickly became apparent to the receiver and his investigators that Yoder was as much in the dark about many of her husband’s activities as his investors were.

“We turned up absolutely no evidence of her active involvement in the investment scheme or actual knowledge that it was fraud,” Dantzler said.

As an example, he pointed to Yoder’s explanation of Parish’s extensive private jet travel. Like others, Yoder said her husband told her the flights were “cardmember benefits” he’d earned from American Express as a result of the millions of dollars of activity on his card stemming from his management of investments.

“Quite frankly, we looked very hard at her role in this and time and again found that her answers were the same as those Parish gave other people,” Dantzler said.

“In addition to our own investigation, she also twice submitted to polygraph tests administered by the Federal Bureau of Investigation, which corroborate our finding.”

But if Yoder was as duped as anyone, haggling over what she might keep and what had to be sold to reimburse investors was an emotional process, Dantzler said.

“A lot of the assets that were recovered were things that from her perspective were just family property,” he said. “Lots of the artwork, for instance, had hung in the family home. Then, of course, there was the jewelry and things like that.

“Mrs. Parish was cooperative from day one, but I think she had difficulty coming to grips with what was occurring. I think she was blindsided as many investors were. That said, I’ll also say that she never insisted on trying to hold on to a lot of assets. For her, from a legal perspective and rightly so, the underlying question was always, ‘How can I agree to give you everything if I continue to be exposed to claims by others?’”

Under the terms of the agreement, Yoder will convey all titles, rights and interest that she has in a number of properties, including the family’s principal residence in Summerville, a townhouse in Charleston, vacation and rental properties on Edisto Island and in Highlands, N.C., and a timeshare interest at

Disney World.

She also will forfeit title to a separate vacation and rental house she owned in her own name in Highlands, N.C. The initial down payment on that property was made with proceeds of the sale of a condominium she owned before she married Parish. That property alone is valued at $500,000, Dantzler said.

Yoder will retain only such personal property as is sufficient for her to start over, he said.

Most of these items are personal effects, such as family photos, that have virtually no value to the receivership, he said. She will be allowed to keep a 2005 Chrysler Town and Country minivan under the deal.

In some cases, the receiver bartered with Yoder. For instance, while she'll keep a dining room set, she gave the receiver a baby grand piano that had long been in her family.

Other than $10,000 the receiver gave her in April to help maintain the family, Yoder will relinquish any claim she might have had to other cash, stocks or bank accounts.

If the settlement is approved by the court, the receiver will indemnify Yoder and her children for up to $750,000 against any claims associated with her husband's investment scheme.

"Our job as the receivership is to look out for the investors as a group," Dantzler said. "In our view, this is the most fair of resolutions. We have everything of value that can be sold for their benefit and she and her children will be able to get on with their lives."

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