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Judge OKs \$4M settlement involving S.C. economist

Associated Press

COLUMBIA, S.C. (AP) — A federal judge has approved a nearly \$4 million agreement to settle allegations that Charleston Southern University helped a former professor swindle investors out of tens of millions of dollars, according to court documents.

Al Parish, a former economics professor at the school who was known for loud sports coats and a Web site that depicted him in superhero costume, pleaded guilty in October to federal charges of fraud and lying to investigators. The settlement between the investors and the 3,300-student university in Charleston was approved Monday.

Court filings estimated about 470 people who invested with Parish lost up to \$80 million. Investors sued the South Carolina Baptist Convention-affiliated school alleging the fraud happened while Parish was employed there and he used school offices and equipment while duping investors into believing his funds were trading profitably.

Meanwhile, he lived a flashy life — he owned a purple Jaguar with a custom-painted roof, a \$1.2 million pen collection and had a penchant for the comedian Red Skelton's paintings.

Approving the settlement prevents a "race to the courthouse" by investors filing individual claims against the school, "which is not in the best interest of any investor or other creditor," Chief U.S. District Judge David Norton wrote in court documents filed Monday.

The school would also waive its claim to about \$1.5 million, or 18 percent of the \$8.4 million it lost through its own investments with Parish, said Rutledge Young, an attorney for the university. The agreement also means that two civil lawsuits against the university will be dropped, said Young.

"It is in the best interest of the school to get this behind it and continue with the business of educating people," Young said. "The school has taken the position from the very beginning that it didn't engage in any negligent conduct."

Most of the \$3.9 million that the school has agreed to pay is covered under the school's insurance policy. Another \$160,000 will be paid out of cash reserves, according to the settlement. Attorneys have not said how much each investor will be paid.

David Dantzler, an attorney who oversaw the agreement for both parties, did not immediately return a phone message Tuesday.

Parish promised his investors returns well beyond Wall Street's wildest ambitions: 42 percent for his stock pool, 32 percent for his futures pool and 34 percent on his hard assets pool — which consisted of artwork, watches, expensive pens and jewelry, according to a federal indictment.

Parish claimed he had amnesia when authorities announced their investigation in April. A psychiatrist told authorities Parish's condition was stress-induced but also said that his memory improved after he learned amnesia was not a defense to his charges. He is set to be sentenced in June, and officials have recommended a minimum sentence of 30 years.

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