

May 21, 2008

Dear Parish Investor:

On March 14, 2008, we filed the Receiver's Third Interim Report ("Third Report"), which contains detailed information regarding the receivership, including our efforts to liquidate assets and effect recoveries. The purpose of this letter is to provide you with a brief update regarding our ongoing efforts.

Most importantly, Al Parish's sentencing hearing has been set for June 26, 2008. While we have been involved in activities that are relevant to the sentencing process, this hearing will be a part of the criminal case, not the SEC's action or this receivership. If you have any questions regarding the sentencing process, please contact:

Clarissa W. Whaley
Victim/Witness Coordinator
U.S. Department of Justice/U.S. Attorney's Office
151 Meeting Street, Suite 200
Charleston, SC 29401
(843)266-1674/ 1(800)504-2630
Fax (843)727-4443
Clarissa.Whaley@usdoj.gov

As indicated in the Third Report, the Receiver's core investigation is basically complete. Our focus now is on activities associated with liquidating assets and effecting recoveries. In addition, we are reviewing claims submitted by investors and other creditors. Over the next several months, we will develop a proposed plan of distribution, which will be submitted to the Court for consideration and approval. We will make payments to investors and other creditors when these processes have been completed, which we hope will be late 2008 or early 2009.

As more fully explained in the Third Report, we have approximately \$4.3 million cash on hand in the Receiver Estate. While it is impossible to predict precisely how much more will be recovered, we expect that the remaining asset sales and other recoveries will net several million dollars.

We have several auctions planned during the summer, which we expect will result in the sale of most of the remaining hard assets - i.e., coins, animation art, music memorabilia, pens and other miscellaneous artwork and collectibles. We are utilizing some of the top auctioneers in the country, who specialize in specific assets such as the coins and the animation art. We believe that these auctions provide the best method of selling these items at a fair value within a reasonable time period. When the auctions have taken place, we will explore how best to sell what remains. With respect to certain assets, we have arranged for private sales and/or worked with dealers in an effort to get them sold. These efforts will continue until all assets are sold.

As more fully described in the Third Report (and reported by the news media), the four residences in the Charleston area were sold at public auction on February 26, 2008. Unfortunately, because the real estate market is soft and there was so much debt on those properties, one of the lenders ended up with all of the properties. While no cash came into the receivership, more than \$4 million in secured debt was eliminated.

Like the four residential properties, the commercial property in downtown Summerville that housed the A.J. Davis clothing store is also heavily mortgaged. However, we have worked out an agreement with the lender on that property that we hope will result in a modest cash benefit to the Receiver Estate.

The two mountain houses in Highlands, North Carolina are for sale. We also expect to sell one or two parcels of undeveloped land in Hollywood, South Carolina. The sales of these properties will be subject to Court approval, but should result in payments to the Receiver Estate.

We continue to work on collecting loans made by Parish Economics and liquidating investments in various real estate projects and other business ventures. In recent weeks, several borrowers have agreed to prepay long term loans, and we hope to reach similar agreements with a number of other borrowers. We may be required to foreclose on collateral to collect a few of the loans, and it is quite likely that we will determine that a few others are uncollectible. We have also reached agreement regarding several business ventures, which have resulted in modest cash recoveries.

We are pleased to report that the proposed settlement with Charleston Southern University (“CSU”) was approved by the Court in an order dated May 12, 2008. Pursuant to the settlement, CSU and its insurer will pay the Receiver Estate \$3,910,000 in cash, plus CSU has waived its entitlement to receive any payment from the Receiver Estate up to \$1.5 million. One of the objecting investors has asked the Court to reconsider this ruling, and it is possible that an appeal will be filed. Our hope is that these issues can be resolved fairly quickly, so that the money can be turned over to the Receiver Estate. We hope that several other settlements might be achieved using this same structure.

As we have indicated in various other postings and communications, it is essential that you consult with your tax advisor regarding the effect that these events may have on your personal tax situation. You may be entitled to significant deductions and/or refunds. Tax memos are posted on our web site that contain valuable information.

While much progress has been made in this case, the unfortunate reality continues to be that there are simply not enough assets to cover the majority of the investors’ losses. It is not yet possible to predict how much money will be available for distribution. Be assured that we remain committed to trying to maximize recoveries on a cost effective basis so that investors will recoup some portion of their losses. If you have questions (other than about the sentencing hearing), please contact us through our web site or use our investor hot-line at 404-926-0059.

Sincerely,

S. Gregory Hays, Receiver