



January 20, 2009

Dear Parish Investors:

This is a brief update regarding the status of this case, as well as some general insight as to what we expect to happen in the coming months. We are in the process of concluding recovery efforts and continuing to liquidate assets. Our primary focus now is to complete our review of the claims that have been submitted and make a determination regarding loss amounts, so that we can propose a plan of distribution (i.e., payment) for consideration by the court.

As of the date of this letter, we have approximately \$4.2 million cash on hand, and we expect that the remaining asset sales, settlements and other recoveries will net additional funds. Our thinking regarding a likely distribution has changed. Originally, we expected to make only one distribution at the end of this case. However, because it may take a while longer to liquidate the remaining assets in the current economic climate than we originally anticipated, we now anticipate making an interim distribution payment as soon as the claims are resolved and the plan of distribution is approved. Our hope is that this can be accomplished within the next two or three months, but much will depend on factors beyond our control. Our best estimate is that the first payments will be made in the second quarter of 2009.

All issues related to the settlement with CSU have been resolved, and we expect to receive the settlement proceeds in late January or early February. A settlement with Legare & Bailey is currently pending before the court for approval, but there is one objection that has been filed. We believe that the Receiver's position is well founded and expect that the settlement will be approved despite the objection.

We have engaged in extensive efforts to resolve potential claims that might be asserted against Robert Pearlman, the attorney for Parish and Parish Economics. Unfortunately, these have not resulted in a satisfactory resolution. We are exploring litigation alternatives; however, investors who believe that they have claims against Mr. Pearlman should consult with counsel of their own choosing.

We have now liquidated all but one or two of the remaining pens in the collection through auction sales at Christie's, held during October and December 2008, and through a third party broker, netting an additional \$493 thousand to the Estate. While this recovery is smaller than we had hoped, as Parish paid in excess of \$1.2 million for the pens sold, the current economic environment has significantly impacted the price that can be attained from purchasers at auction. We generated over \$110 thousand from the



auction of recovered jewelry, over \$11 thousand in Tiffany style lamps and over \$13 thousand from additional watches recovered, bringing the gross receipts to the Estate from the sale of hard asset sales to date to over \$5.9 million.

Auctions for the fine art collection, the rare books and various miscellaneous assets are scheduled to occur between January and June 2009. The assets have been placed with the auction houses most suited to their individual customer markets. If all goes well, we hope to generate an additional \$400 to \$500 thousand from the sale of these items. We have also reached an agreement with a dealer for the remaining silver and the sideboard that will net an additional \$90 thousand to the Estate.

We are continuing efforts to sell various real estate assets. We currently have one property under contract that should close this month, and will result in approximately \$160 thousand to the estate. There are three other remaining properties; two vacation homes in Highlands, North Carolina and a Disney timeshare. We are marketing all of these properties and hope that we will see some positive activity on these properties as the economy improves. Of the real property still in the Estate, the Highlands properties are the most valuable, and we want to make a concerted effort to realize their value, rather than selling them in a down market simply to close this receivership. Additionally, we still expect to recover a 24 acre tract of raw land into the Estate, which we will immediately put up for sale.

As you may recall, the Court authorized the Receiver to sell, maintain or abandon the numerous life insurance policies that were a part of the Estate. Accordingly, several policies were sold netting a total to the Estate of over of \$535 thousand. For a variety of reasons, we believed that it was prudent to maintain a number of the policies pending the resolution of the criminal prosecution and essentially use the process from the sales to pay premiums during 2008. However, with that phase completed and Al Parish now in prison, we are considering abandoning the remaining policies. If the 12 remaining policies are kept in place, the cumulative premium payments for 2009 are expected to exceed \$500 thousand (which would reduce any distribution by a like amount). If any investor (or group of investors) is interested in “purchasing” these policies, please contact the Receiver’s office immediately. To date, no investor has been interested in assuming the policies and attendant premium obligations.

In the coming weeks, investors who submitted claims will receive a claim determination notice, which will provide information regarding the amount of loss “allowed” by the Receiver. We will also file the proposed plan of distribution. Please read the notice and the plan carefully. They will provide detailed information regarding how allowed amounts are calculated and, quite importantly, the process for disputing the Receiver’s determination. Investors will also have the right to object to the Receiver’s proposed distribution methodology and other aspects of the plan itself. Once the plan is approved, it will govern the claims and distribution process.



As indicated in many of our reports and updates, it is very important 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. We have posted tax memos on our web site that contain valuable information in this regard.

If you have questions, please contact us through our web site or use our investor hot-line at 404-926-0059.

Sincerely,

S. Gregory Hays, Receiver