



May 5, 2009

Dear Parish Investors:

On April 30, 2009, we filed a motion asking the Court to approve the Receiver's proposed Plan for Claims Administration and Distribution of Proceeds ("Plan"). All investors and creditors who filed claims with the Receiver should receive a copy of the Plan and a Notice via U.S. Mail. A copy of the motion, as well as the Plan, is posted on our website. This is a very important stage in the proceedings. Once approved, the Plan will govern how claims are calculated, how disputes are resolved and how the money in the Receiver Estate will be paid out to investors and other creditors.

You should review the Plan carefully and consult with counsel if you believe that to be appropriate. As more fully explained in the motion and the Plan, we are recommending that payments to investors be calculated using a methodology known as "rising tide." If approved, this calculation method will result in larger percentage payments to investors who received no prior payments from Parish during the course of the scheme and smaller percentages, or even no payment, to investors who did receive payment or financial benefits from Parish. While most investors who lost money will receive some payment, there are a significant number of investors who will receive nothing even though they suffered some loss.

All objections to the Plan must be made in writing and filed with the Court and served on Receiver's counsel no later than June 1, 2009. The Court has scheduled a hearing for July 1, 2009 for the purpose of considering the Receiver's motion to have the Plan approved, as well as any objections.

As of the date of this letter, we have approximately \$7.6 million cash on hand. While we expect to collect additional funds, future recoveries will be much less than this amount. We expect to be able to make an initial distribution payment as soon as the Plan (in the form recommended or some other form) is approved and all claims are resolved. Our hope is that this can be accomplished by mid to late summer, but much will depend on factors beyond our control. In this initial distribution, we will not distribute all cash on hand. It is necessary to reserve reasonable amounts to pay administrative expenses and to satisfy any contingent obligations, including taxes, which might arise before we are able to close the receivership. While we do not believe that there should be income tax liabilities, we must work through these issues with the IRS prior to disbursing all of the cash on hand.

We have received the proceeds from the CSU settlement. The settlement with Legare & Bailey has been approved by the Court. We anticipate receiving approximately \$950,000 from this settlement within the next few weeks.

As previously indicated, the Receiver and his counsel have been unable to resolve issues with Robert Pearlman, the attorney for Parish and Parish Economics. While we continue to explore litigation alternatives, investors who believe that they have claims against Mr. Pearlman should consult with counsel of their own choosing. It is possible that the Receiver and his counsel will decide not to spend time and money on litigation with Mr. Pearlman.

We continue our efforts to sell the relatively few “hard assets” remaining in the Receiver Estate. Auctions for the fine art collection, the rare books, remaining pens and various miscellaneous assets are scheduled to occur between April and September 2009. The assets have been placed with the auction houses most suited to their individual customer markets. Not surprisingly, the current state of the economy makes these sales very challenging. As with virtually all other liquidation efforts, we do not expect to recover the amount that Parish spent on these assets.

In February, we sold a parcel of land, netting \$160,000 for the estate. The remaining real estate includes the two vacation homes in Highlands, North Carolina, the Disney timeshare in Orlando, and a 23.92 acre tract of land which recently became an asset of the receivership. We will continue to market all of these properties at current market value, but we want to make a concerted effort to realize their value, rather than selling them in a down market simply to close this receivership.

We are in the process of terminating the remaining life insurance policies. The cumulative premium payments for 2009 are expected to exceed \$500,000, which would reduce the amount available for distribution. 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 on a basis that justifies the time and expense that the Receiver Estate will incur in effecting a transfer.

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