I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against David Lee Parrish (“Parrish” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in paragraphs III.2 and III.4 below, and consents to the entry of this Order Instituting Administrative Proceedings Pursuant to the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

1. Respondent Parrish, age 50, is currently incarcerated at Terre Haute FCI in Terre Haute, Indiana. Between approximately 2017 and March 2019, he claimed to be a “pastor” of The Church for the Healthy Self and was a director of its investment program, CHS Trust (together,
“CHS”), which offered and sold unregistered securities through mass marketing campaigns. In 2010, Parrish was the subject of two CME Group trading suspensions related to his participation in a commodities fraud. Parrish is not registered with the Commission in any capacity.

2. On June 11, 2019, a judgment was entered by consent against Parrish, permanently enjoining him from future violations of Sections 17(a) of the Securities Act of 1933 (“Securities Act”), and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Kent R.E. Whitney, et al., Civil Action Number 8:19-CV-0499-KES, in the United States District Court for the Central District of California.

3. The Commission’s complaint alleged that Parrish and others orchestrated a $33 million Ponzi scheme targeting primarily the Vietnamese communities of Orange County and San Jose, California through a fake church, CHS, that operated out of a strip mall in Westminster, California. The complaint alleged that Kent R.E. Whitney (“Whitney”) founded CHS three months after being released from federal prison for defrauding investors in a scheme assisted by Parrish, a fact Parrish concealed from potential investors. The complaint further alleged that Parrish promised investors tax-deductible, guaranteed, and insured returns of at least 12%, and as high as 43%, through reinsurance investments and options trading. The complaint further alleged that Parrish’s representations to investors were false, as Parrish knew or should have known: instead of generating the promised guaranteed profits, Whitney and Parrish misappropriated millions of dollars of investor funds and paid returns through Ponzi payments.

4. On March 2, 2020, Parrish pled guilty to criminal conduct relating to the findings in the Order. Specifically, in United States v. David Lee Parrish, Crim. No. 8:20-cr-0035-JLS in the United States District Court for the Central District of California, Respondent pled guilty to one count of conspiracy in violation of 18 U.S.C. § 371. On November 5, 2021, a judgment in the criminal case was entered against Parrish. He was sentenced to a prison term of 12 months and one day followed by three years of supervised release and ordered to make restitution in the amount of $166,574.10. In connection with the plea agreement, Respondent admitted that:

(a) Beginning in or about November 2018, Respondent engaged in a scheme to defraud investors through his role as Chief Executive Officer and Director of the CHS Trust; and

(b) Respondent falsely told investors that: CHS guaranteed 12% returns with no risk of loss; their investments were federally insured; the traders used by CHS had not lost money in 15 years; CHS was audited by KPMG; and Respondent himself was an experienced Wall Street trader. At the time he made these statements, Respondent knew or should have known that the statements were false or misleading. In fact, despite millions of dollars deposited from CHS investors, little investor money went into any trading accounts. Respondent knew and failed to disclose to investors that Whitney was convicted of wire fraud in connection with an investment fraud scheme in 2011 and was in prison until 2014.

IV.
In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Parrish’s Offer.

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, that Respondent Parrish be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

Pursuant to Section 15(b)(6) of the Exchange Act Respondent Parrish be, and hereby is barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, compliance with the Commission’s order and payment of any or all of the following: (a) any disgorgement or civil penalties ordered by a Court against the Respondent in any action brought by the Commission; (b) any disgorgement amounts ordered against the Respondent for which the Commission waived payment; (c) any arbitration award related to the conduct that served as the basis for the Commission order; (d) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (e) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Vanessa A. Countryman
Secretary