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Money Manager, Kin, Friends Received Millions

By E. Scott Reckard, Times Staff Writer

As authorities moved to seize cars and other assets linked to James P. Lewis Jr., the Orange County money manager accused of operating a 20-year fraud, his investment firm's temporary receiver on Friday released tallies of millions of dollars in questionable payments made to Lewis and his friends and relatives.

Federal sources said the FBI, which raided the Lake Forest offices of Lewis' **Financial Advisory Consultants** Inc. Dec. 22, had hoped to arrest him Wednesday night or Thursday, but was still searching for him Friday evening.

A federal judge in Los Angeles appointed a receiver last week to take control of Lewis' operation and determine how much money may be left for his investors to recover. Lewis' books indicated that he owed investors about \$814 million, although the vast majority of that was fictitious investment profit, authorities said.

In the report filed Friday in U.S. District Court in Los Angeles, temporary receiver **Robb Evans & Associates** listed some previously undisclosed cars and homes that Lewis had purchased, bringing the total of liquid assets found to about \$10.4 million.

That falls about \$100 million short of what the receiver calculates Lewis' investors would need to be paid to recoup their original investments.

Snags already are cropping up in the search to reclaim assets. The receiver said it had received a letter from an attorney for **Fletcher Jones Motor Cars**, saying the Newport Beach Mercedes Benz dealer would not return a \$50,000 deposit Lewis had made on a \$409,500 Maybach limousine because Lewis "had not fulfilled the purchase agreement." Calls to Fletcher Jones executives weren't returned.

The dearth of assets was frustrating for the receiver because "there are many, many victims in real hardship, people who've been living on payments from FAC, disabled people, people with nothing else except Social Security," said Brick Kane, the chief operating officer for Robb Evans.

One woman took her 91-year-old mother and 93-year-old father back from an assisted-living facility because she no longer was receiving \$5,000 a month from FAC. Other investors said they would return to work despite being ill, and 10 or 15 said they would file for bankruptcy, said Kenton Johnson, executive vice president at Robb Evans.

Attorneys for family and friends of Lewis said the FBI had seized several cars he purchased for family members and had served seizure papers for another car in Texas.

Authorities said two checkbook registers found in Lewis' desk at FAC's El Toro Road offices, with entries from Oct. 18, 1999, through Dec. 31, 2002, showed expenditures of more than \$10 million to Lewis in loans, currency-trading expenses and unspecified payments. In addition, the Securities and Exchange Commission previously reported that he withdrew \$3 million from an FAC account last summer.

The registers showed expenditures of \$244,707 for automobiles and \$351,235 for credit card payments. More than \$1.1 million was recorded as having gone to relatives of the 57-year-old Lewis and to relatives of women with whom he owned multimillion-dollar homes in Orange County's Villa Park and in Greenwich, Conn.

The largest such payments were to Eric Boggs, the brother of Lewis' housemate in Villa Park, Blakney A. Boggs, 37, a former teaching pro at several Orange County golf courses. Lewis had set up foreign-currency trading accounts for Eric and Blakney Boggs, and Johnson said Lewis apparently "forwarded that money to Eric Boggs for him to speculate."

Dean Steward, an attorney for the Boggs family, couldn't be reached for comment late Friday. In a separate filing, SEC attorneys Peter F. Del Greco and Gregory C. Glynn urged U.S. District Judge Audrey Collins to make Robb Evans a permanent receiver for Lewis' assets.

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