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Money Manager Pleads Not Guilty

Prosecutor asks a judge to deny bail, saying the O.C. man had a list of possible disguises when arrested in Texas.

By E. Scott Reckard
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Orange County money manager James P. Lewis Jr. had a list of possible disguises in his motel room when he was arrested in Texas last month, a prosecutor told a judge at Lewis' federal court arraignment Tuesday.

Assistant U.S. Atty. Gregory W. Staples urged U.S. Magistrate Judge Arthur Nakazato to deny bail for Lewis, who pleaded not guilty to 14 counts of fraud and money laundering.

Nakazato scheduled a hearing for Tuesday to address the bail issue after public defender Robert Carlin said he had only just been handed the case and needed time to study the facts.

Staples said the FBI found a "must-do" disguise list at the Comfort Inn room in Houston where Lewis was arrested Jan. 22. The list included "a hat, glasses, a goatee and a reference to losing weight," Staples said, adding that Lewis also had "an atlas of Texas with a route from Houston to Mexico highlighted."

Nearly 3,300 investors lost more than \$100 million when Lewis' business was shut down in December after 20 years, according to the receiver for Lewis' assets.

About a dozen of those investors were in court Tuesday. Some stifled laughter and snorted as the 57-year-old Lewis, in shackles and a khaki jail uniform, entered his plea.

"It's nice to see him in chains, anyway," one said as the tall, brown-haired Lewis sat beside other Santa Ana City Jail inmates waiting to enter pleas.

Lewis' assets, along with those of his Lake Forest-based **Financial Advisory Consultants Inc.**, have been frozen by U.S. District Judge Audrey B. Collins in Los Angeles in connection with a civil lawsuit brought by the Securities and Exchange Commission.

Paul Meyer, a prominent Orange County defense attorney whose clients have included ex-NBA star Dennis Rodman, also attended Tuesday's hearing but didn't address the court. Meyer said he may ask Collins at a later date to free some of Lewis' funds so he can pick his own defense team.

The receiver has identified about \$10 million in relatively liquid assets owned by Lewis, including about \$2 million in bank accounts, five high-end homes, and Mercedes-Benz, BMW and Cadillac vehicles valued at an estimated \$170,000.

On paper, he owed his clients \$813.9 million, although the government said nearly all of that was fictitious profits.

The case was assigned to U.S. District Judge Cormac J. Carney in Santa Ana for trial April 13, a date likely to be postponed.