

ROBB EVANS
Receiver of
Assets of James P. Lewis, Jr.,
Financial Advisory Consultants,
Income Fund Ltd. &
Growth Fund Ltd.

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Securities and Exchange Commission v. James P. Lewis, Jr., et al.
CASE No. CV 03-9354 ABC (VBKx)

Stipulation between Margaret Kanitz and Receiver Re:
Sale of Automobile and Order Thereon

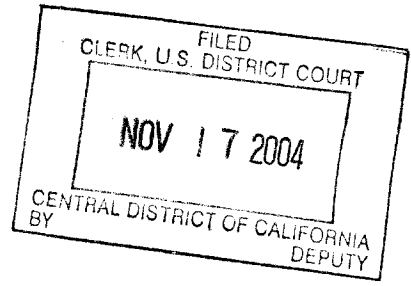
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10 **UNITED STATES DISTRICT COURT**
11 **CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION**

11 **SECURITIES AND EXCHANGE**
12 **COMMISSION,**
13 **Plaintiff,**
14 **v.**
15 **JAMES P. LEWIS, JR., individually**
16 **and doing business as FINANCIAL**
17 **ADVISORY CONSULTANTS,**
18 **INCOME FUND, LTD. AND**
19 **GROWTH FUND, LTD.,**
20 **Defendant.**

21 **CASE NO. CV 03-9354 ABC (VBKx)**
22 **STIPULATION BETWEEN**
23 **MARGARET KANITZ AND**
24 **RECEIVER RE SALE OF**
25 **AUTOMOBILE AND ORDER**
26 **THEREON**

27 Margaret Kanitz ("Kanitz") by and through her attorney of record, Michael G.
28 Spector, and Robb Evans, Receiver over the assets of James P. Lewis, Jr.,
individually and doing business as Financial Advisory Consultants, Income Fund,
Ltd. and Growth Fund, Ltd. ("Receiver") by and through his attorney of record,
Frاندzel Robins Bloom & Csato, L.C., by Gary Owen Caris, enter into this
Stipulation Between Margaret Kanitz and Receiver Re Sale of Automobile
("Stipulation") with reference to the following facts:

RECITALS

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3 A. The Receiver was initially appointed temporary receiver in this action
4 by court order filed January 6, 2004. The Receiver was thereafter appointed
5 permanent receiver pursuant to the Court's Preliminary Injunction Order and Orders:
6 (1) Freezing Assets; (2) Prohibiting the Destruction of Documents; (3) Granting
7 Expedited Discovery; (4) For Accountings; and (5) Order Appointing a Permanent
8 Receiver filed January 22, 2004.

9
10 B. By order filed June 17, 2004, the Receiver was given authority to
11 commence litigation against those investors who received more than they paid in.

12
13 C. The Receiver alleges that Kanitz was overpaid \$129,491.74.

14
15 D. Kanitz is the legal owner and registered owner of a 2003 Mercedes
16 Benz SL 500 automobile, vehicle identification number WDBSK75F33F042400
17 ("Automobile"). The Automobile was the seized by the Federal Bureau of
18 Investigation from Kanitz and turned over to the Receiver, although Kanitz's rights
19 with respect to the Automobile were never finally determined.

20
21 E. By order filed May 17, 2004 the Court previously authorized the
22 Receiver to sell motor vehicles pursuant to certain minimum price guidelines. In an
23 effort to liquidate assets for the benefit of the receivership estate, the Receiver has
24 located a buyer for the Automobile. The buyer is prepared to pay \$72,000 for the
25 Automobile, "as is where is". The Receiver contends that this is a fair and
26 reasonable price for the Automobile and it is a price above which the Court has
27 authorized the sale of motor vehicles pursuant to the May 17, 2004 order.

1 F. The Receiver has requested Kanitz to transfer title to the Automobile to
2 enable the sale to be completed. Kanitz is willing to transfer title to the Automobile
3 to enable the sale to be completed only on the terms and conditions set forth in this
4 Stipulation.

5
6 G. The parties enter into this Stipulation to enable the sale to be completed
7 and the proceeds of such sale to be placed in a segregated account held by the
8 Receiver pending further Court order, while each reserving all rights that they may
9 have against the other regarding the facts set forth in these Recitals.

10
11 NOW THEREFORE with reference to the facts set forth above and in
12 consideration of the mutual covenants and promises set forth below, the parties
13 stipulate and agree as follows:

14
15 **AGREEMENT**

16
17 1. Transfer of Title. Kanitz agrees that she will promptly transfer legal
18 title to the vehicle by executing and delivering an Application for Transfer of Title,
19 Vehicle Transfer and Reassignment Form, and Bill of Sale, to the Receiver, as well
20 as executing and delivering any other documents necessary or appropriate to allow
21 the Receiver to sell the Automobile for an amount generating net proceeds of not
22 less than \$72,000.

23
24 2. Proceeds Held by Receiver. All proceeds generated from the sale of
25 the Automobile shall be held by the Receiver in a segregated, interest bearing
26 account, and shall not be utilized by the Receiver for any purpose whatsoever or
27 disbursed without further Court order.

1 3. Stipulation Not an Admission of Any Fact. This Stipulation shall not
2 constitute an admission of any fact by either party.

3
4 4. Reservation of Rights. Kanitz and the Receiver expressly reserve all
5 rights, claims and defenses which they may have relating to any of the facts or
6 allegations set forth in the Recitals to this Stipulation. Without limiting the
7 generality of the foregoing: (a) Kanitz expressly reserves her right to seek the
8 proceeds generated by the sale of the Automobile and the Receiver expressly
9 reserves his right to seek to retain the proceeds from the sale of the Automobile for
10 the benefit of the receivership estate; and (b) the Receiver expressly reserves all
11 claims he may have against Kanitz and to pursue all appropriate actions to recover
12 all sums he contends constitute overpayments to Kanitz, and Kanitz expressly
13 reserves all defenses thereto.

14
15 5. Court Approval. The Receiver will promptly seek Court approval of
16 this Stipulation, however Kanitz agrees that, pursuant to paragraph 1, above, she
17 will transfer legal title to the Automobile and take any and all other steps necessary
18 or appropriate to allow the sale to close upon execution of this Stipulation. In the
19 event this Stipulation is not approved, the parties shall still be bound by the terms of
20 this Stipulation until and unless this Stipulation is determined not to be valid.

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22 6. Counterpart. The Stipulation may be executed in counterpart.

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ORDER

The parties having entered into the Stipulation Between Margaret Kanitz and Receiver Re Sale of Automobile set forth above, and good cause appearing therefore, it is

ORDERED that the Stipulation shall be and hereby is approved in its entirety and made the order of this Court.

DATED: 11-17-04

AUDREY COLLINS

AUDREY B. COLLINS
United States District Judge