

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

11450 Sheldon Street
Sun Valley, California 91352-1121
Telephone No.: (818) 768-8100
Facsimile No.: (818) 768-8802

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

**Order Granting Motion for Approval of Receiver's Settlements with
Settling Parties**

Filed September 9, 2008

1 GARY OWEN CARIS (SBN 088918)
gcaris@mckennalong.com
2 LESLEY ANNE HAWES (SBN 117101)
lhawes@mckennalong.com
3 ANGELA E. FONES (SBN 245204)
afones@mckennalong.com
4 MCKENNA LONG & ALDRIDGE LLP
444 South Flower Street, 8th Floor
5 Los Angeles, CA 90071-2901
Telephone: (213) 688-1000
6 Facsimile: (213) 243-6330

7 Attorneys for Receiver
ROBB EVANS

8
9 **UNITED STATES DISTRICT COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION**

11 SECURITIES AND EXCHANGE
12 COMMISSION,

13 Plaintiff,

14 v.

15 JAMES P. LEWIS, JR., individually
and doing business as FINANCIAL
16 ADVISORY CONSULTANTS,
INCOME FUND, LTD. and GROWTH
17 FUND, LTD.,

18 Defendants.

CASE NO. CV 03-9354 ABC (VBKx)

**ORDER GRANTING MOTION FOR
APPROVAL OF RECEIVER'S
SETTLEMENTS WITH SETTLING
PARTIES**

DATE: September 8, 2008
TIME: 10:00 a.m.
PLACE: Courtroom 680

19
20
21 The matter of the Motion for Approval of Receiver's Settlements with
22 Settling Parties ("Motion") filed by Robb Evans as Receiver over the assets of
23 James P. Lewis, Jr., individually and doing business as Financial Advisory
24 Consultants, Income Fund, Ltd. and Growth Fund, Ltd. ("Receiver"), came on
25 regularly for hearing at the above-referenced date, time and place before the
26 Honorable Audrey B. Collins, United States District Judge presiding. Gary Owen
27 Caris of McKenna Long & Aldridge LLP appeared on behalf of the Receiver and
28 Gregory C. Glynn appeared on behalf of the Plaintiff Securities and Exchange

1 Commission. There were no other appearances despite due and proper notice. The
2 Court, having read and considered the Motion and all supporting papers, plaintiff
3 Securities and Exchange Commission having filed its Statement of Non-Opposition
4 to the Motion, no opposition to the Motion having been served or filed, having
5 considered the arguments and contentions of counsel, and having considered the
6 modification of the Receiver's settlement with B. Hannay recited on the record at
7 the hearing, and good cause appearing therefor,

8 IT IS ORDERED that:

9 1. The Motion is granted in its entirety;

10 2. Without limiting the generality of the foregoing, the Court hereby
11 approves the Receiver's proposed settlements identified in Exhibit 1 attached hereto
12 and approves the proposed settlement with B. Hannay as modified;

13 3. Except with respect to the D. Gilbert Settlement, the Settlement
14 Payments made or to be made by the Settling Parties as described in Exhibit 1
15 hereto shall be deemed to be made in full and final satisfaction of all claims,
16 demands, actions and causes of action that could have been asserted by any party
17 for recovery of excess profits or other claims for recovery against the Settling
18 Parties arising out of or pertaining to their investment in the fraudulent investment
19 scheme and that such claims by third parties shall be deemed forever barred;

20 4. Except with respect to the D. Gilbert Settlement, upon each Settling
21 Party's full and complete performance of all settlement terms, including without
22 limitation, payment in full of the Settlement Payment by each Settling Party, all
23 such claims, demands, actions and causes of action by the Receiver against the
24 Settling Party shall be deemed satisfied; and

25 5. The Receiver's settlement with D. Gilbert is hereby approved, and the
26 Receiver is authorized to dismiss its claims against D. Gilbert without prejudice in


27 ///

28 ///

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

accordance with such settlement as more fully set forth in the Motion and in the Receiver's settlement agreement with D. Gilbert.

Dated: September 12, 2008



AUDREY B. COLLINS
United States District Judge

EXHIBIT 1

Defendants	Amount Sued	Settlement Amount	Settlement Terms	Settlement Document
B. Hannay	\$111,985.98	\$25,000.00	\$25,000.00 to be paid no later than October 25, 2008	Yes – with mutual releases
R. Molinari, C. Molinari & L. Molinari	\$246,266.79	\$150,000.00	\$150,000.00 to be paid upon execution of agreement	Yes – with mutual releases
G. Selmanson & R. Selmanson	\$319,492.34	\$215,000.00	\$215,000.00 to be paid upon execution of agreement	Yes – with mutual releases
G. Matzdorff	\$441,420.30	\$77,000.00	All cash	Yes – with mutual releases
C. Lyon	\$108,562.78	\$15,000.00	\$25,000.00 Stipulated Judgment against C. Lyon, but only a total of \$15,000.00 will be paid as long as \$5,000.00 is paid within 30 days, \$5,000.00 is paid within 60 days and \$5,000 is paid within 90 days	Pending
L. Palencia	\$68,600.00	\$27,500.00	\$27,500.00 to be paid on or before August 11, 2008	Pending – will include mutual releases
R. Sachs and S. Sachs	\$468,089.00	\$267,500.00	\$267,500.00 to be paid on or before August 15, 2008; one-half (\$133,750) paid to Receiver on Court approval of settlement and one-half on January 2, 2009	Pending – will include mutual releases

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

P. Shupe, S. Shupe and Podiatry Institutes of America	\$731,813.04	\$130,000.00	Stipulated Judgment for \$130,000.00; judgment to be entered immediately; right to immediate judgment liens and to enforce and collect judgment from sale of real estate; six-month forbearance from execution	Pending
TOTAL:	\$2,496,230.23	\$907,000.00		