



# U.S. SECURITIES AND EXCHANGE COMMISSION

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Litigation Release No. 18532 / January 6, 2004

*Securities And Exchange Commission v. James P. Lewis, Jr., Individually And Doing Business As Financial Advisory Consultants, Income Fund, Ltd. And Growth Fund, Ltd. (Case No. CV-03-9354 (ABC) (C.D. Cal.)*

### SEC SEEKS RECEIVER IN ORANGE COUNTY INVESTMENT FRAUD

The Securities and Exchange Commission announced today that it filed an application seeking the appointment of a temporary receiver over the assets of James P. Lewis, Jr. of Laguna Niguel, California; Financial Advisory Consultants (FAC); the Income Fund, Ltd.; and the Growth Fund, Ltd.

On December 22, 2003, the SEC filed a complaint alleging that Lewis, individually and doing business as FAC, Income Fund, and Growth Fund, had committed securities fraud. In the same case, on December 23, the Honorable Audrey B. Collins, United States District Judge for the Central District of California, issued a temporary restraining order against Lewis, which temporarily restrained him from committing future securities fraud violations, froze the assets of Lewis, FAC, Income Fund, and Growth Fund, and required Lewis to provide an accounting.

As stated in the Commission's moving papers, the Commission is seeking the receiver based on the following facts and evidence. First, Lewis asserted his Fifth Amendment privilege in response to the order to provide an accounting and failed to appear at his deposition. Second, a preliminary review of Lewis' records indicates that assets under his control total only a small percentage of the \$813 million Lewis owes investors. These assets include about \$2.3 million in cash, \$5.8 million in investments in two private companies, and interests in three residences. Third, the preliminary review of Lewis' records also shows that he used investor funds for undisclosed purposes, including trading in foreign currency and purchasing luxury automobiles and expensive jewelry. The Commission seeks appointment of a receiver to identify, locate, and recover investor funds, conduct an accounting, and propose a plan of distribution.

For more information, investors may call (323) 965-3261, an SEC-established information line.

Additional information can be found in Litigation Release No. 18525 (December 24, 2003).

<http://www.sec.gov/litigation/litreleases/lr18532.htm>