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STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: James P. Lewis, aka James P. Lewis, Jr., dba
Financial Advisory Consultants
22972 El Toro Road
Lake Forest, CA 92630

DESIST AND REFRAIN ORDER
(For violations of section 25110 of the Corporations Code)

The California Corporations Commissioner finds that:

1. James P. Lewis, aka James P. Lewis, Jr. ("Lewis") is a resident of Orange County, California. He does business under the name Financial Advisory Consultants from an office located at 22972 El Toro Road in Lake Forest, California. Lewis describes himself as the President and Funds Manager of Financial Advisory Consultants.

2. Under the name Financial Advisory Consultants, Lewis offers investments to general members of the public in two purported "Private Investment Funds" which he calls the Income Fund, Ltd. and the Growth Fund, Ltd. Lewis represents that the Income Fund Ltd., has been operating for twenty years, providing its investors monthly distributions at the annual rate of approximately 18.9%, purportedly from insurance premium financing and small equipment leasing activities. Lewis describes the investments in a twenty-four page booklet which represents that the Growth Fund, Ltd. has been operating for seventeen

1 years, providing its investors an average annual rate of return of approximately 38.8%,
2 purportedly from buying businesses for cash and reselling them at a profit.

3
4 3. Lewis represents that the two Private Investment Funds allow the clients of
5 Financial Advisory Consultants to pool their resources to participate in million-dollar
6 investments typically available only to large institutional investors. He represents that
7 investments in the Private Investment Funds provide a level of professional money
8 management previously available only to the wealthiest investors. He offers investors the
9 option of investing in the two Private Investment Funds through trust, pension, partnership,
10 corporate and IRA accounts as well as personal individual accounts. He represents that 5%
11 of the total return from the two Private Investments Funds is retained by Financial Advisory
12 Consultants as a management fee. He represents further that investments in the two
13 Private Investment Funds allow investors to leave investment decisions to professionals.

14
15 4. Lewis markets the two Private Investment Funds to general members of the public
16 by word of mouth. For the past several years Lewis has been accepting new clients only if
17 they are family members or close friends of existing clients. Many of the investors are
18 church members who have heard of the investment opportunity from other members of their
19 congregations. In August of 2003 Lewis informed a prospective investor that the Income
20 Fund, Ltd. had a value of approximately \$10-\$11 million and the Growth Fund, Ltd. had a
21 value of approximately \$62 million.

22
23 5. The Department of Corporations has not issued a permit or other form of
24 qualification authorizing any person to offer or sell investment interests in the Growth Fund,
25 Ltd. or the Income Fund, Ltd. in this state.

