

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**  
**August 18, 2009**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-13584**

**In the Matter of**

**JAYCEE JAMES,**

**Respondent.**

**ORDER INSTITUTING CEASE-AND-DESIST  
PROCEEDINGS PURSUANT TO SECTION 21C OF  
THE SECURITIES EXCHANGE ACT OF 1934**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against JayCee James (“Respondent” or “James”).

**II.**

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

James, 38 years old, is a resident of Victorville, California.

B. FALSE REPORTS ON FORMS 3 AND 4 AND SCHEDULES 13D AND 13D/A

1. From March 6, 2009 through May 6, 2009, James filed 83 Forms 3 and 4 and Schedules 13D and 13D/A reporting stock ownership in 29 different companies, as set forth in the Excel spreadsheet attached hereto as Exhibit 1.

2. For example, James reported that he was a 10% shareholder of APT Satellite Holdings Limited (“APT”) in a Form 3 filed on March 24, 2009; a majority shareholder of APT in a Form 4 filed on March 30, 2009; and the sole owner of all outstanding shares in APT in a Schedule 13D/A filed on April 14, 2009. However, APT is not aware of any recent acquisitions of its stock; to the contrary, APT is in the process of exiting the U.S. trading market and the only recent activity is the surrender and cash settlement of American Depository Receipts in connection with that exit.

3. Similarly, on April 10, 2009, James filed Forms 3, 3/A, 4, and 4/A claiming stock ownership in CapitalSource Healthcare REIT (“CHR”). On April 17, 2009, he filed a Schedule 13D in which he claimed to have acquired all outstanding shares in CHR. However, in late 2008, CHR postponed its planned initial public offering due to adverse market conditions. As a result, most of its shares remain in the hands of the REIT’s sponsor.

4. On May 5, 2009, the Division of Enforcement sent James a request for the voluntary production of documents supporting the claims he had made in his Edgar filings. The Division of Enforcement received no documents in response to that request. On May 8, 2009, the Division of Enforcement sent James a Wells notice, requesting that he provide documents supporting his stock ownership claims. On May 13, 2009, James made a Wells submission, which admitted that he has not traded any shares in the subject companies. James also submitted a spreadsheet entitled “Claimed Interest Record” in which he attempts to explain his interest in 18 of the companies by stating, for example, that they “dissolved,” “went out of business,” or their shares are no longer traded. The submission did not include any stock certificates or other evidence to substantiate his stock ownership claims.

5. Therefore, contrary to James’ representations in his Forms 3 and 4 and Schedules 13D and 13D/A, he is not a shareholder of APT, CapitalSource, or the other 27 companies in which he claimed stock ownership.

### C. VIOLATIONS

1. As a result of the conduct described above, James violated Section 13(d) of the Exchange Act and Rule 13d-1 thereunder, which require any person who acquires beneficial ownership of more than 5% of an issuer’s common stock to file a Schedule 13D with the Commission, and Rule 13d-2, which requires an amendment to be filed on Schedule 13D/A if there is any material change in the facts set forth in a previously filed Schedule 13D.

2. As a result of the conduct described above, James violated Section 16(a) of the Exchange Act and Rule 16a-3 thereunder, which require officers and directors of reporting issuers, and beneficial owners of more than 10% of a class of securities registered under Section 12 of the Exchange Act, to file reports with the Commission disclosing his or her beneficial ownership of all equity securities of the issuer. Rule 16a-3 requires a report of initial beneficial ownership to be filed on Form 3, changes in such ownership to be filed on Form 4, and annual reports to be filed on Form 5.

## III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate that cease-and-desist proceedings be instituted to determine:

A. Whether the allegations set forth in Section II are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations;

B. Whether, pursuant to Section 21C of the Exchange Act, Respondent should be ordered to cease and desist from committing or causing violations of and any future violations of Sections 13(d) and 16(a) of the Exchange Act and Rules 13d-1, 13d-2, and 16a-3 thereunder.

#### IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened not earlier than 30 days and not later than 60 days from service of this Order at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 300 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Elizabeth M. Murphy  
Secretary