

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 2793 / September 29, 2008

ADMINISTRATIVE PROCEEDING
File No. 3-13252

In the Matter of

ANTHONY A. JAMES,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Anthony A. James (“James” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. James, age 41, a resident of Parkland, Florida, was the founder and sole owner of James Asset Advisory, L.L.C. ("James Advisory"), an investment advisory firm based in Troy, Michigan, from 1998 until early 2008. James Advisory has never been registered with the Commission but was formerly registered as an investment adviser with the State of Michigan.

2. On September 25, 2008, a judgment was entered by consent against James, permanently enjoining him from future violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and Sections 206(1) and (2) of the Advisers Act, in the civil action entitled Securities and Exchange Commission v. Anthony A. James, et al., Case No. 08-61516, in the United States District Court for the Southern District of Florida.

3. The Commission's complaint alleged that, among other things, from at least early 2000 through early 2008, James misused and misappropriated millions of dollars in James Advisory client funds to pay for personal expenses and to purchase houses and cars for himself, and to pay other clients seeking to withdraw their funds. The complaint also alleged that James falsely stated to clients that their funds would be invested in securities and managed on their behalf, and that James sent out false account statements to clients, reflecting securities holdings and returns that did not exist.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent's Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Section 203(f) of the Advisers Act, that Respondent James be, and hereby is barred from association with any investment adviser.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a

customer, whether or not related to the conduct that served as the basis for the Commission order;
and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct
that served as the basis for the Commission order.

By the Commission.

Florence E. Harmon
Acting Secretary