

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 3287 / September 23, 2011

ADMINISTRATIVE PROCEEDING
File No. 3-14561

In the Matter of

JAMES M. PEISTER,

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 James Peister (“Peister” 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. At all relevant times, Peister was the CEO and president of Northstar International Group, Inc. ("Northstar"), an unregistered investment adviser, which was the general partner of a hedge fund, North American Globex Fund L.P. ("Globex Fund"). In that capacity, Peister controlled all of the operations and activities of Northstar and the Globex Fund. He resides in Saint James, New York.

2. On September 15, 2011, a judgment was entered by consent against Peister, permanently enjoining him from future violations of Sections 17(a)(1), 17(a)(2) and 17(a)(3) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and Sections 206(1), 206(2) and 206(4) of the Advisers Act and Rule 206(4)-8 thereunder, in the civil action entitled Securities and Exchange Commission v. James M. Peister, et al., Civil Action Number 2:11-cv-03386-JFB-AKT, in the United States District Court for the Eastern District of New York.

3. The Commission's complaint alleged that, from 2003 through 2009, Peister and Northstar intentionally overstated the assets of Globex Fund, and in so doing they: (1) provided investors and prospective investors with materially false and misleading sales materials claiming an improbable track record of consistent positive monthly returns; (2) issued materially false and misleading account statements to the Globex Fund investors; and (3) issued materially false and misleading financial statements. Peister and Northstar engaged in this conduct at a time when the Globex Fund's actual assets made it impossible to repay all investors either their principal or their share of the purported gain. Furthermore, in order to perpetuate the fraudulent scheme Peister and Northstar continued to solicit new investors.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act that Respondent Peister be, and hereby is:

barred from association with any broker, dealer, investment adviser, municipal securities dealer, or transfer agent.

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.

Elizabeth M. Murphy
Secretary